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The ANTIOCH REVIEW

Volume Six · · · Fall 1946 · · · Number Three

. . . Featuring . . .

LABOR AND THE CO-OPERATIVES
—Albert Rees

GRAMMAR OF RECONSTRUCTION
—William D. Grampp

IS OURS A YOUNG CIVILIZATION?
—Max Lerner

THE WAR AND THE VISUAL ARTS
—Katharine Kuh

LABOR LAW: A RECONSIDERATION
—Bernard Cushman

Other articles by Eleanor E. Timberg, David Dempsey, Valdemar Carlson, Francis Carlton. A short story by Mark Rondy.

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The ANTIOCH REVIEW

Volume VI Published in September, 1946 Number 3

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The ANTIOCH REVIEW

"Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

—Abraham Lincoln

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EDITORIAL

Reconversion for Liberals---II

BY THIS TIME good liberals must have hashed and rehashed ex-Secretary Wallace's foreign policy speech of September 12. One of its principal elements, however, continues to deserve examination.

To recapitulate major points of the speech—Mr. Wallace made an important suggestion to the UN atomic energy commission, attacked a "tough" policy toward Russia, deplored an armaments race, favored American loans and trade for all nations under Russian influence. Taking an independent "American" line, he pointed out American dislike for certain Russian methods and activities (and for this was booed by his audience). But none of this nor the subsequent embarrassment to the Democratic administration (all with their own importance) should divert the liberal's attention from the idea of spheres of influence, which Mr. Wallace made the basis of his speech.

Spheres of influence, to recall a little history, formed the policy at Teheran by which Churchill and Stalin divided Europe between them. (The results are to be seen today in Yugoslavia and Greece.) Roosevelt was at first a bystander in this policy, but when he had a chance to think it over and see how it worked, he repudiated it (at Yalta) and from that time to the present, American policy—however wavering in details and weak in its supplementary aspects—has been to stay with the job in Europe, Eastern as well as Western.

But undoubtedly Mr. Wallace did not think of spheres of influence in just those terms. In his own words, "we should recognize that we have no more business in the political affairs of Eastern Europe than Russia

has in the political affairs of Latin America, Western Europe, and the United States." What he seemed to suggest was world-wide application of a new Monroe Doctrine. Russia has been pursuing an aggressive imperialism in the territories near her—a policy only too reminiscent of American and British imperialisms of the nineteenth century. We are getting nowhere by opposing Russia in her policy, so the argument runs. Far better a Monroe Doctrine, by which one abandoned nineteenth-century policy is set to catch another.

Mr. Wallace must have thought long before he espoused a policy which could be labelled so "realistic." Its dangers are apparent. If we can withdraw from Eastern Europe, then it will be easier, when the going gets rough and we are weary, to pull out of Germany. And his idea, taken seriously, puts an end to any lingering fiction about One World and any notion of universality in the United Nations. Making a virtue of what he deemed necessity, Mr. Wallace had to be less than fair to British foreign policy. He had to gamble that the undertones of isolationism and imperialism in his plan would never grow to serious proportions. He had to gamble, when he called for an end to "interference," that if America retreated from her interest in such matters as free elections in the Soviet sphere, Communist influence in countries of the West and the Pacific would not continue into the indefinite future. (The Wallace plan was immediately repudiated by Molotoff.)

Others who have less regard for the United Nations than Mr. Wallace have embraced his idea. They would trade the current crisis, blown up out of all proportion by tough talk and our own postwar jitters, for a plan already mortgaged to the future. But liberals will look twice at any such trade. In the last analysis, there is no peace-building substitute for the United Nations, and excess liberal energies on the international front could be better spent in making it work.

II

We would suggest that acceptance of the spheres of influence idea is one more symptom of a current liberal illness. The world is now upset and the times are hard, but that can be no excuse for the series of liberal indecisions and defeats (more of them on the domestic front perhaps than on the international) which have afflicted us since before the end of the war. Nor should it make us jump to hasty or thoughtless conclusions. What is fundamentally wrong, we believe (and we are not suggesting

this as the sole factor), is that liberals have failed to think their way through to a vital program.

Once liberals were called "tired" because they failed to act. When Loyalist Spain was fighting for her life, so many shilly-shallied between "on the one hand" and "the other" that the battle was lost. But the bigger war sent that kind of indecision into limbo and today, in a second shift of the liberal milieu, the balance has tipped in another direction.

Now the issues are no longer simple as in war but complex and shifting and if the liberal is "tired," it is because he has not the will or does not take the time to think. The Roosevelt who could be trusted so personally and followed so faithfully to the end is dead. The group which was always right during the war can now quite as often be wrong. The truth is that the bandwagon technique, which some have learned too well, cannot solve postwar perplexities.

If it's a program we need, then what kind should it be?

At this point, we would not spell one out, but would accept proposals and entertain discussion. It should only be required of any proposal that it drive constantly for two fundamental objectives: freedom and security. That it seeks to arrive simultaneously at two diverse ends has been liberalism's distinction among systems of thought. Liberals sometimes must be reminded that the partnership goes back a long way. For if in the nineteenth century freedom seemed to eclipse its opposite number in importance, it was only that security was already assumed in the form of private property (the struggle for *that* victory having been largely thought and fought through earlier).

Today the partnership should still flourish though freedom and security have taken new forms and though they sometimes seem to have reversed their roles. The drive for security is great and it is often pushed exclusively in the hope and expectation that if only enough of it is acquired, freedom will somehow flourish miraculously in its rear. That this expectation is fallacious may be seen from the experience of the authoritarian state; there, economic security without freedom has led only to a vain and frantic search for still more security, psychological as well as political.

Liberals have neglected freedom. They have let conservatives manipulate it for their own purposes. And when they have used the word

themselves, too often they have failed to spell out its reinterpretation with concrete proposals.

Take as a good example the President's message to Congress of September a year ago. Here was an enormous program generously applauded by liberals everywhere. Yet of all its twenty-one items, only two referred directly to freedom—the FEPC and small business. And in the ensuing political melee, no two took a worse licking.

The problem of freedom affects American life everywhere, in labor, in business, in agriculture, in government organization. It afflicts minority groups, disturbs the communication and interpretation of information, endangers the individual's integrity in countless daily contacts. Freedom of opportunity is historically a major American aim. Liberals should raise it to equal status with security.

The President's program (there are other examples but none better) also illustrated the larger problem—the lack of any fundamental analysis, of any broad social and political philosophy. The twenty-one items, developed at such length that it took almost two hours to read the speech, took no strength from association either among themselves or with an over-all conception. Bits and pieces of reformism, they were like so many separate sticks culled from the Roosevelt-New Deal wood lot and loosely tied together with a Truman string.

The need is not for something more detailed but for something with a larger view. From the United Nations down to the individual American citizen a broad policy should be clearly drawn—a policy suggesting fundamental solutions to basic problems. We know, for example, that private monopoly, absentee ownership, and oligarchic control have been increasingly characteristic of our economic society. We know that ownership and control must be spread to private individuals, to co-operatives, unions, educational institutions, public corporations. How is this to be done and why? Only a fundamental, over-all attack will do the job.

There is nothing so wrong with the liberal movement at the moment that a sound program cannot set it firmly on its two feet. It is with this in mind that we call for proposals and for discussion. And it is with this in mind that we publish one such proposal in this issue. We ask for its consideration—and that does not mean flowers neatly arranged to spell out "Rest in Peace." P. B.

LABOR AND THE CO-OPERATIVES: WHAT'S WRONG?

By ALBERT REES

IN COUNTRIES where consumers' co-operation has been most successful, it has been closely allied with the trade union, and this alliance is equally essential in America," William Green told the 1936 convention of the American Federation of Labor. His remark poses a knotty problem for American progressives. In many blueprints of a better economy, strong unions and strong co-operatives are vital interlocking parts. But in the United States to date, unions and co-operatives have not meshed, hopeful publicity not withstanding. Something is wrong with a jigsaw puzzle in which the patterns match, but the pieces will not fit. What is it?

I

Both labor unions and consumer co-operatives are voluntary democratic organizations designed to give the common people a larger share in the national income and a greater control of the economy. Unions have been by far the stronger in America, but the effects of co-operatives, if less widespread, are economically speaking, more fundamental. Unions have sharply raised the money wages of their members, but much of this wage increase has been shifted back to unionists in the form of higher prices.

Co-operatives give labor "the other blade of the scissors." As unions raise money wages, co-operatives help hold down prices by vigorous competition with profit business. In Sweden, and to some extent in American farm supply markets, co-operatives which have gone into production have proved their ability to lower prices pegged by monopolies. In our economy, in which some degree of monopoly is omnipresent, this is a vital function. As co-operatives attack monopolies, they increase production where it has been artificially restricted, and thus contribute to full employment. The "normal profits" of co-operatives, distributed as patronage refunds to many working-class owners, help sustain purchasing power and prevent the underconsumption which is frequently considered

a source of depressions. It is also probable that nonprofit co-operatives may invest in fields which profit business considers too unremunerative to enter, which, too, would sustain employment. The REA co-operatives may be a case in point, although government assistance clouds the issue.

Co-operatives could give labor unions a yardstick of good labor-management relations by which to measure profit employers. Because co-operatives link farmers, white collar workers and unionists in a common cause as consumers, they help other economic groups to know and understand labor, and win support for some of labor's political goals.

Many of labor's theorists would prefer public to co-operative ownership of transportation and basic industry, feeling that it would take co-operatives far too long to accumulate enough capital to enter these fields. But many may prefer co-operative to public ownership for consumer goods industries, because the democratic machinery of co-operatives is more direct.

II

The European consumer co-operatives, with few exceptions, were created by and for urban workers. Especially in Finland, Sweden, Scotland, England and pre-Hitler Germany, the trade unionist is or was the backbone of the co-operative structure. The typical European industrial worker belongs to three closely allied organizations: the union, the co-operative, and a labor or socialist political party, whose basic unity of interest is assured by substantial triplication of membership.

In England, unions and co-operatives have worked closely together for over a century. They arose under the same circumstances, and have been influenced by many of the same thinkers—including Robert Owen, George Holyoake, Edward Van Sittart Neale, and the Webbs. The unions have been the recruiting grounds of the co-ops; the co-ops have been the bankers to the unions in good times, their commissariats during strikes, and sometimes their willing guinea pigs in labor relations.

In 1935, British co-operatives had over 301,000 employees, all guaranteed union wages and conditions by a national collective bargaining agreement. In the words of Fred Bramley, formerly secretary of the Trade Union Congress, "The co-operative employee is better paid, more humanely treated, has greater security and more continuous employment than any other class of worker engaged in commercial production and distribution."

Today British co-operators are represented by 23 Co-operative Party Members of Parliament, who vote with the Labor majority. A co-operative leader, H. V. Alexander, is First Lord of the Admiralty in the Labor cabinet.

III

The situation in the United States is strikingly different. Consumer and purchasing co-operatives are preponderantly rural. In 1945 sixteen regional co-operative wholesales were members of National Co-operatives, Incorporated, the central organization of American consumer and purchasing co-operatives. This does not include National Co-operatives' Canadian members. Regional co-operatives not affiliated with National Co-operatives are all strictly rural. The sixteen members of National had total 1945 wholesale sales of $145,232,000. Of these, nine with total sales of $95,084,000 had only rural members. Four more, with total sales of $44,419,000 had both rural and urban members, but with a strong rural predominance. Only three, with sales of $5,729,000, were predominantly urban, and they account for most of the urban co-operatives in the United States.

But this gives no indication of co-operative strength among the urban working class. The majority of the member co-operatives of the three urban wholesales are in upper middle-class communities. Their strength comes from professional people, junior executives, and the best-paid white-collar workers. There are co-operatives in many university communities: Cambridge, New Haven, Morningside Heights in New York, Ann Arbor, Hyde Park in Chicago, Evanston, Madison and Berkeley; in college towns like Oberlin, Swarthmore, and Yellow Springs and many more. There are co-operatives in the prosperous suburban towns of Westchester, Long Island, and Northern New Jersey, along Philadelphia's Main Line, and in Chicago's western suburbs.

The best list of urban working-class co-operatives as yet compiled is that in the pamphlet *Labor and Co-operatives* by James Myers (see footnote [2]), published in October, 1944. It lists 146 co-operatives which, according to their regional wholesales, "had either been built by the initiative of wage earners or whose membership is 50 per cent or over members of organized labor or wage earner groups." This list probably overstates the case. A recent check with co-operative officials revealed that thirteen of the

co-ops listed clearly belong in the farm, college, or middle-class categories. Nineteen more are no longer in business.

Eleven new urban working-class co-operatives have since started or were omitted. This makes a total of 125 urban working-class co-operatives out of 3192 co-operatives in the United States affiliated with members of National Co-operatives as of 1945. Of the 125, at least 8 are buying clubs, which do not have one full-time employee; 117 operate one or more stores or other businesses.

The definition used to set up this list is very broad. Let us define a labor co-op as one which unionists took an active part in forming, or in which union membership is the strongest common bond between the co-op members. In other words, unions are the sociological base of a labor co-op, and there are other working-class co-ops with other bases. By this we do not mean that a labor co-op admits only unionists as members; such a policy is contrary to co-operative principles and has proved to be a severe handicap to growth and success.

Of the 117 urban working-class co-ops other than buying clubs, how many are labor co-ops as defined here?

At least 35 of these societies, including most of the larger ones, were started by foreign language groups. In some the organizing nationality group is now outnumbered; others still conduct business in Finnish, Lithuanian, Slovenian, Czech or Italian. Many are over twenty-five years old. They are not a native American co-operative movement, but European co-operatives transplanted. Their sociological base was the tongue and customs of the old country, and probably no such co-ops will be organized in the future. While most of their members are unionists, they are not labor co-ops in the sense in which we are using the term. In many cases, they antedate the unions to which their members belong. For example, many or most of the members of the North Chicago (Illinois) Co-operative have in the last five to ten years become members of the United Steelworkers of America, CIO, but this union can take no credit for a co-operative which recently celebrated its silver anniversary.

Another 15 co-operatives are located in federal housing projects. Unions helped organize some of these co-ops, but the housing project itself, not the union, is the base of the organization. Many projects were opened with inadequate commercial services and employees of the federal and local housing authorities often encouraged the formation of

co-operatives to meet this problem. Existing tenant organizations formed a ready-made foundation of common interest on which the co-op could be built. The situation is not typical of the general working-class community, and provides little guidance for the organization of union co-ops under more normal conditions.

The last atypical group of working-class co-ops consists of ten whose membership is entirely or almost entirely Negro.[1] Two were started by unionized postal workers. However, the base of organization here is clearly the Negro community, which in many ways is more closely knit than the larger white community.

There remain 57 co-operatives in the list, including several with middle-class elements and no clear history of union influence. Eighteen of the 57 are in places of under 10,000 population. Their members are largely miners, railroad workers, and tannery, paper-mill and lumber-mill workers. They are true union co-ops, but the small town is not the principal habitat of the unionist. A small town with a strong union group does not present difficult organizational problems.

Twenty-one more are in nineteen cities of from 10,000 to 100,000 population. Eleven are in seven cities of from 100,000 to 500,000 population, while only six are in five cities of populations over 500,000. Clearly labor co-ops are weakest exactly where labor is strongest—in the larger cities.

The strongest group of labor co-ops is in the smaller cities of southeastern Wisconsin: Racine, Kenosha, Beloit, Janesville, Waukesha, West Allis, and Cudahy. Racine Co-op is America's most successful labor co-op. It operates four gas stations, three food stores, a coal yard and an insurance department. Sales for the year ended October, 1944 exceeded $560,000. Since its formation in 1935 its membership has been chiefly made up of unionists.[2]

Many of the labor co-ops are quite small. Nine of those in towns over 10,000 population are in the automobile centers of Michigan, north-

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[1]Four more Negro co-ops were included among those in federal housing projects, and another four among the buying clubs. One of the latter was organized by the Women's Auxiliary of the Brotherhood of Sleeping Car Porters, AF of L.

[2]For a more complete account of Racine co-op, see James Myers, *Labor and Co-operatives* (already noted), p. 22.

western Ohio, and northern Indiana. The two largest of these have weekly volumes of about $2000; the three smallest have volumes under $700. South Bend Co-operative Services, one of the most publicized of labor co-ops because its store is located in the union hall of Studebaker Local 5, UAW-CIO, has a weekly volume of $1000.

The record of failures and liquidations is disheartening. Within the last ten years twelve labor co-operative stores and buying clubs have ceased operation in the following industrial communities in Michigan alone: Flint, Lansing, Pontiac, Bay City, Saginaw, Jackson, Highland Park, Centerline, and Detroit. The list is probably incomplete, and does not include the closing of three housing project co-ops, one Negro co-op and one middle-class co-op in the same area during the same period. Recently the number of closings has declined, as new co-ops now get more help from stronger regional wholesales.

IV

The poor showing of labor co-operatives has not been due to lack of interest on the part of unions. As long ago as 1917, the AF of L convention passed a resolution which called unions and co-operatives the "twin remedies" of the worker. Such resolutions have been passed repeatedly by innumerable labor bodies since. Almost twenty years ago, the Amalgamated Clothing Workers (now CIO) established two large co-operative apartment house projects in New York City, one of which has its own flourishing co-op store. Despite the great success of these projects, the Amalgamated has not developed other co-operatives since. Within the last three years, co-operative speakers have appeared before conventions of several international unions and state labor bodies. Several joint labor and co-op conferences and schools have been held to strengthen bonds between the groups. Stories and articles about co-operatives have appeared in many labor publications, including the *American Federationist, The United Auto Worker, The Brotherhood of Locomotive Firemen and Enginemen's Magazine,* and in hundreds of local union papers. The 1944 convention of the AF of L created a national department of consumer co-operation within the AF of L. This department has done educational and publicity work and published several pamphlets on co-operatives. For over a year the UAW-CIO had two members of its consumer division staff doing co-operative education and publicity as one of their major activities. Several members of the UAW-CIO execu-

tive board have publicly joined co-operatives, and the stories and pictures of these occasions were widely used in labor publications.

Among the international unions whose leaders have endorsed, publicized and promoted co-operatives are: The International Ladies Garment Workers Union, AF of L; the Brotherhood of Sleeping Car Porters, AF of L; the Brotherhood of Maintenance of Way, AF of L; the State, County and Municipal Employees, AF of L; the United Textile Workers, CIO; and the United Transport Service Employees, CIO.

In addition, local leaders of many unions have been active co-operators. The Boyne City (Michigan) co-op, for example, was organized by a local of the International Fur and Leather Workers, CIO, although this international has shown little interest in co-ops. Although millions of unionists have never heard of co-ops, millions more know something about them, and their reaction is almost invariably favorable.

Publicity from the unions has been supplemented by that of the Co-operative League, national co-operative education organization. Several regional co-operative wholesales have done much publicity and some organization work among union groups. Co-operative leaders have often declared that organization of co-ops among industrial workers is the most important task facing the co-operative movement.

Why, despite all this interest and effort, have labor co-ops had so little success?

V

Several factors are responsible. Perhaps the most basic is the extreme mobility of our urban population, combined with the insecurity of industrial employment and the general lack of institutions which effectively promote neighborliness in big cities. There are few stable and coherent neighborhood communities which could serve as a basis of co-operative organization.

Second, there is the late growth of the unions themselves. Until recently, most unions were engaged in a struggle for existence and recognition which took all their energy, and left no time for the broad activities which may be expected of a secure organization. Among the newest unions are those in the steel, auto, rubber, flat glass, meat packing and electrical industries whose members now form the heaviest geographical concentrations of unionized workers.

One must also reckon with the spirit of "business unionism" in many of the older unions. They have traditionally restricted their activity to bargaining over wages, hours, and working conditions, and performing certain benefit functions. They do not consider themselves agencies of basic economic change. The tendency of these unions to regard co-operative activity skeptically was probably reinforced by the failures of unsound union co-ops earlier in American labor history. Extensive but ill-starred ventures in consumer co-operation were launched by the Sovereigns of Industry in the 1880's, and by the Knights of Labor in the 1890's. They failed from a combination of credit trading, restriction of participation to union members, the use of earnings of tiny co-ops for strike funds, and the decline of the parent unions. In the early 1920's the coal miners' unions in Illinois founded many co-operatives, which failed in an attempt to sell at cost rather than to sell at market prices and refund earnings. The result has been a bitter taste in the mouths of conservative unions regarding co-operatives.

In the new unions of the CIO, another difficulty arises. Here bitter factional strife often hampers the energetic pursuit of constructive programs. Factionalism makes it hard for a nonpartisan outside group like the co-ops to work with unions without becoming involved in family quarrels.

Almost all unions have a problem of membership education. Lack of understanding is evident when a resolution endorsing co-operatives is presented to a union convention. Usually the question is called for immediately and the motion passed without discussion, a few Ayes to no Nays, with most delegates paying no attention. Workers' education has generally been a stepchild; most of the meager funds allotted to it go into newspapers, the distribution of pamphlets, and a few classes which deal largely with techniques of collective bargaining, parliamentary procedure, and political action. Those rank and file unionists who have participated in programs designed to increase their understanding of basic social and economic issues are a small minority. Without greatly increased education, leadership support of co-operatives will not become mass support.

By no means all of the relevant problems concern the unions. The co-operatives themselves present barriers to the formation of labor co-operatives. One is the small degree of unionization of co-op employees.

Among rural co-ops, unionized employees are a rarity; among urban co-ops they are still a minority. The unions with the largest memberships in co-operative employment are those with such complete control of their jurisdiction in certain areas that no employer is overlooked, particularly the International Brotherhood of Teamsters, AF of L, and the Amalgamated Association of Meat Cutters and Butcher Workmen, AF of L. Other unions with contracts covering co-op employees include the United Retail, Wholesale and Department Store Employees, CIO; the Retail Clerks International Protective Association, AF of L; the International Association of Machinists, independent; and the United Office and Professional Workers, CIO. Interestingly enough, none of the unions containing the most co-operative employees has been among those most active in promoting consumer co-operation.

Co-operatives and their employees both usually consider the co-op worker a class apart. The co-op greengrocer may feel closer to the doctor, the minister, and the social worker than to the greengrocer of the A & P. This feeling has sometimes been used to discourage unionization; at other times it has led co-operative employees to request separate locals within an international union on the ground that existing locals do not understand the problems of co-operatives. Such requests if granted, would destroy much of the benefit to both labor and co-ops of the unionization of co-op employees.

Occasionally, unions have alienated co-operatives by securing such valuable extra benefits in collective bargaining with friendly co-op employers that the co-operative was left at a competitive disadvantage.

In nonunionized co-operatives, substandard wages and excessively long hours are all too common, especially in the small urban stores, which often survive only through the sacrifices of employees. It is hard to tell how much of this sacrifice is truly voluntary and how much results from a subtle pressure by boards of directors who have come to take sacrifice for granted. The distinction is of little interest to unionists, who disapprove of exploitation even if it is self-exploitation. This aspect of American co-operatives causes adverse comment in union circles.

Co-operatives could set the pace in labor relations and attract the attention and admiration of labor. The guaranteed annual wage is a striking case in point. Co-op factories and mills could adopt the guaranteed annual wage at less cost than any profit manufacturer because

they produce for a known market and their output is usually supplemented by outside purchases which cushion most of the fluctuations in quantities demanded. However, a resolution calling for sympathetic study of the guaranteed annual wage for co-op production workers was soundly defeated at the Co-operative League Congress in 1944.

In the retail food field, co-ops are hampered in winning labor support by their inability to compete with chain stores on a price basis. European co-ops never faced this problem; they preceded the chains and were usually the first mass retailers of food in their countries. American co-ops must compete with strong chains which have vast purchasing power, a remarkably efficient merchandising mechanism, a flair for innovation and a willingness to operate on a narrow margin of profit. There is probably no co-op food store today which, even considering its patronage refund, meets the better chain supermarkets on an over-all price basis. The co-op may offer better quality, better service, a more scrupulous honesty in merchandising and an ideal to which to be loyal. These inducements have helped middle-class co-ops to success, but are relatively less important in working-class neighborhoods. In part, low prices can come only with size. In part they can result from eliminating inefficiencies, and dilettantism in staff and boards. Co-ops are working hard on this through training programs and increasing expert supervision of retail operations.

Co-operative efforts to win labor support might be more vigorous. They have emphasized publicity rather than organization. There is no co-operative employee in the United States whose chief responsibility is to promote labor co-operatives, despite statements by co-operative leaders about the paramount importance of working with unions. The 1944 Co-operative League Congress passed a resolution calling for the establishment of a Labor Services Division of the League, "as funds are available," its functions to include aiding unions in consumer education programs and in getting union members to participate in co-operatives. The co-operatives have had many other urgent demands on their time and limited education funds, and as yet this division has not been started.

The most perplexing aspect of labor and co-op relations arises from the geographical patterns of large cities. The local union is organized around the places where men work. The co-op store must be organized around the places where they live. But the workers in a particular local

may live scattered all over a large city and its suburbs, up to fifteen miles from the plant in every direction. Conversely, the residents of a given big city working-class neighborhood may belong to a hundred different locals of a score of international unions, and many will belong to no union. When a co-op speaker is invited to a meeting of a local union, he may find that a dozen members of the local are interested in co-op activity. Probably none of them will live within reasonable shopping distance of any existing co-op, and no two will live within a mile of each other. The speaker then urges each of them separately to start a discussion group in his neighborhood with the objective of forming a co-operative. As one co-operator put it, it is as if an evangelist had lured a convert down the aisle and replied, when the convert asked how to become a Christian, "Go out and build yourself a church." Few have the initiative to follow this advice and gather a number of neighbors for a meeting. If such a neighborhood group is formed, it will be largely divorced from the local which gave it birth, from which it may draw only one or two members. It will be too insignificant to draw support from any central labor body by which other unionists in the neighborhood might be reached. Occasionally, such a group grows into a buying club and eventually into a labor co-operative store, but it is a hard road, and the odds are against success.

The most common solution of the dilemma is to attempt to put the co-op store in or near the local union hall or the plant, and to solicit the support of other groups in that neighborhood. This plan has not been strikingly successful. Although it resulted in a small store in South Bend, it was abandoned after considerable effort by Locals 351 and 212, UAW-CIO, in Detroit, and by a refinery workers' local in Hammond, Indiana. The trouble has three roots: The plant or union hall is not usually in a residential neighborhood, or is at one limit of a residential section and removed from shopping centers. The members living within convenient shopping distance of the union hall are usually a small minority of the members of the local. Attempts to get members to carry purchases home from work on street cars or buses fail because they conflict with well established habits whereby the wife does the shopping near the home.

A generally successful method for organizing union members in co-operatives has not yet been found.

VI

On the credit side of the ledger we may list, not necessarily in the order of their importance, a number of pressures for labor co-operatives.

(1) There is more emphasis than ever before in union circles on the importance of the cost of living, because of war and postwar inflation. This is evidenced by labor's fight to save OPA, by the creation of a consumer division of the UAW-CIO, headed by Walter Reuther and Donald Montgomery, and by the UAW's fight to "raise wages without increasing prices" in the General Motors strike. Contact with rank-and-file unionists will convince the most skeptical that they realize even more keenly than their leaders that wage increases matched by price increases are futile.

(2) Northern Negro workers are generally favorable to co-operatives, which fit in with the campaign for more Negro ownership of the businesses which Negroes patronize. Several Negro weeklies have given co-ops good publicity.

(3) The avowed interest of the Catholic Church in consumer co-operation has attracted a growing number of Catholic workers to co-operatives. Bishop Alter of Toledo says,

> The highest authorities of the church have frequently expressed their cordial approval of the principles which underlie the Rochdale co-operative movement. As long as considerable numbers of industrial workers believe that the Catholic Church is their defender against exploitation, it can be assumed that from this element of the labor movement will come an increasing demand for co-operative action.

(4) Farm marketing and purchasing co-operatives are increasing activities designed to get farm products to city consumers by shorter channels. This has led to increased talk in the progressive wings of the Farm Bureau and the Farmers Union about helping industrial workers organize consumer co-operatives.

(5) Democratic socialists in the labor movement are placing increased emphasis on co-operatives, and are giving much attention to co-operatives in their publications.

(6) The tremendous problem of postwar housing has naturally led to renewed interest in co-operative housing developments. New co-operative housing projects are being planned in several industrial centers, with unions and progressive veterans' groups among the sponsors. Hous-

ing is probably the greatest single field of opportunity for labor co-operatives at this time.

VII

Two recent ventures in co-operative organization show much promise. The larger is the Chicago Consumer Co-operative, which intends to be a city-wide co-operative operating a chain of food super-markets, as well as other types of stores and consumer services. Its board of directors includes Michael Mann, secretary of the Chicago Industrial Union Council, CIO; John Yancey, International Secretary-Treasurer of the United Transport Service Employees, CIO; Thomas Slater, secretary of Local Union No. 1 of the Brotherhood of Carpenters and Joiners, AF of L; and Wilhelm Levander, International Vice President of the Amalgamated Association of Street Railway Employees, AF of L.

In addition to operating efficiencies and purchasing advantages, such a city-wide co-operative should have important organizational advantages. It is large enough to command time and attention from busy union leaders who cannot be active in neighborhood co-ops. Any worker in Chicago, no matter where he lives, can join this organization and thus materially help bring co-operative service into his neighborhood. A speaker to a local union can urge, "Join this city-wide co-op today" rather than "Join a co-op if there happens to be one near you." No one need be asked to found a co-op single-handed in order to become a co-operator.

But Chicago Consumers Co-operative has so far done most of its organization work in middle-class communities. How it will work in getting members from unions remains to be seen.

The second new venture is the Rural-Urban Co-operative of Elkhart County, Indiana. It was founded through the joint action of the CIO unions of the city of Elkhart, and the Elkhart County Farm Bureau Co-operative Association, a farm purchasing co-operative. Its purpose is to operate a chain of co-op food stores covering the county. The first of these is in operation, a modest store in the tiny village of Bristol. Future stores are planned for the cities of Elkhart and Goshen. Like the Chicago Plan, this plan offers any worker in a wide area the opportunity of joining at once a co-op which will eventually serve him conveniently. The plan has spread to nearby St. Joseph and LaPorte counties.[3]

[3]For a more complete account, see the magazine *Co-op* for November, 1946, p. 6.

VIII

It may be presumptuous for anyone to prescribe for a problem that has baffled so many. If I were to presume, I would suggest:

(1) The plan for a Labor Services Division of the Co-operative League should be put into effect. The co-operatives should devote their major organizational efforts to labor communities, if necessary neglecting other types of organization, for if co-operatives are to be a power in America, they must draw most of their strength from urban workers. It would be in the ultimate self-interest of the farm purchasing co-operatives for them to help finance such an organization drive.

(2) The co-operatives should adopt a national program of minimum labor standards so that as employers they may earn labor's respect.

(3) Unions interested in co-operatives should assign organizers to work with co-op organizers in given localities. Rather than do an overall educational job, these organizers should work in the same concentrated way in which they would unionize a factory.

(4) The regional co-operative wholesales in whose territories lie the richest opportunities for organizing labor co-ops are among the smallest and poorest of the regional wholesales. To do this job, some way must be found to create within the co-operative movement financial and organizational arrangements which transcend geographical and corporate boundaries.

(5) Unions have regarded labor co-ops as sports which crop up occasionally and unpredictably, but which cannot be developed by planning. This feeling must be overcome by organizing as demonstration two or three large city-wide co-operatives in selected middle-class industrial communities. This could be done with modest help from a few large unions, and with much less difficulty than in very large cities. A pattern would be set which might gain rapid acceptance. Concentration of effort is the key to success. If the co-ops would put down the publicity shotgun with which they mildly pepper the unions, and use a well aimed organizational rifle, they might bag big game. Publicity would be only one part of an organization drive, not the mainstay of co-op and labor relations.

This program represents a radical departure from past practice. It might have equally little success. But if it did succeed, it would be a big step toward economic democracy in America.

THE GRAMMAR OF RECONSTRUCTION

By WILLIAM D. GRAMPP

WITH A PATIENCE borne anything but well the world is waiting for the issue of the war just past, for the brave new society which was to emerge once the battle was done. Yet as the months of peace wear on, the reconstruction and the reform of the economies of Europe proceed with agonizing slowness, and, indeed, the promised results of liberation appear hardly less remote than they did when the armistice was declared. Over the ruins of the Continent political strife is rampant, and in the shambles to which authority has been reduced fascism has sought furtively to regroup its forces. In what only a few years ago was the center of Western civilization, society has become so degraded that frequently not even a minimum of law and order prevail. So wretched is the material condition of the people that they are now worse off than when fascism held the full measure of power. In the matrix of such misery it probably is natural that men should seek out single causes on which to fix most blame. Such a reaction is all the more to be expected by the intensity of the illusions fostered during the war.

The shattering of illusions does not, unfortunately, seem to have evoked a sober reappraisal of the hopes raised during the war years. Rather, it has raised to a frenetic pitch the struggle for political power, and in the wild fury of partisan politics the real issues have become more and more obscured and—of equal importance, certainly—the very struggle for power less and less meaningful. It is my feeling that the new Europe of men's dreams will be so much longer in coming than commonly has been thought as to require at once a reconsideration of what reasonably can be expected now that the war is over; that, moreover, the kind of economic order which meanwhile will prevail would in 1939 have been considered intolerable; and, finally, that even if the liberators and liberated had been the best of men with the wisest of policies the state of Europe today would still be abject.

It has fallen to such a low material level that no political progress can be expected without prior economic reconstruction, and this reconstruction is so formidable a task that years will be required before as much as the prewar standard of living is restored. To speak of an economy of abundance—"freedom from want"—as emerging from Europe's six-year ordeal is to abuse even the crude poetry of politics. It is misleading also to fix a determinate period in which the economic losses of the war can be restored and at the end of which the common man of Europe can experience again the comparative economic security of 1939. And because economic reconstruction and reform will be very slow, political reform will be halting and incomplete.

Acceptance of this fact is anything but cheering. On both sides of the Atlantic, the "discussion" of Europe's political problems has grossly underestimated, if it has understood at all, the full extent of economic prostration. While the fact of capital destruction could hardly escape anyone, the programs advanced for restoration have cavalierly assumed that all would be made well by the United States, and by expropriating the fascists and collaborators, and by placing the correct party in power. The monetary chaos in which Europe finds itself is equally apparent but proposals for reform too frequently rest upon sheer deception, such as attributing the inflationary price level to profiteering. The problem of extirpating totalitarian notions of economic policy, far from having called forth a considered solution, is usually not even recognized. If Europe is ever again to attain world pre-eminence these problems must first be solved. Their solution calls for more than a struggle for political power and the building of mass parties by wild invective and fatuous promises. Since the liberation of Europe the struggle for power has been incessant, and it is essentially self-defeating, for there is wanting the very means of making authority effective. One needn't accept an economic interpretation of politics to believe that no government can exercise authority if the economy is so reduced that it cannot provide the most elementary instruments of control. (The Italian government is too poor even to print its own paper money—fortunately.) This poverty of means is the principal cause of the instability of successive European governments, each of which comes to power with a wondrously devised equilibrium of parties and a short while after collapses in utter confusion.

This poverty is the manifestation of, it seems to me, three economic data, and I should like to set down, by way of notes for a grammar of reconstruction, what appear to be the primary considerations in the rebuilding of Europe—data which would have to be considered by any form of government, of whatever intentions, and which will limit drastically the progress of recovery. Because I know it better I should like to use Italy as a reference point—where the Allies achieved their first military success on the Continent and where the liberated have had the most time to work toward the reconstruction of their nation—but in so doing I hope that the generality of the considerations for the whole of Europe will not be obscured.

I

First of the data with which economic reconstruction must begin is the necessity for new capital creation. As tragically poor as Europe was before the war, in land fertility, buildings, manufacturing equipment, transportation, and other capital items, it is immeasurably more poverty-stricken now. On the indigenous poverty imposed by the low ratio of capital to population has been heaped the great destruction of the war. Presumably everyone understands what the destruction signifies, for we have had descriptions of it in plenty, beginning with Casino and ending with Berlin. Actually, our informants have been so impressed by the magnitude of the ruins (which must be great to impress Americans conditioned by the hyperbolic dimensions of advertising and Hollywood) that they have failed to note its significance.

The ramifications, in a practical sense, are endless and once sensed may indicate why so little can be expected from Europe and why so much that has been written about political reform is naive. Typical of the more devastated areas of Europe is the region between Naples and Rome, where the first great battles of the Continent were fought. It is no exaggeration to say that nine of every ten structures are so terribly damaged that by prewar standards they would be considered unusable. Each mile along the Appian way—which has known many battles but none like the last—presents a spectacle of savage destruction: farm houses and buildings in shambles, the fields sown with mines and great areas untillable, in some places flooded again by marshes, the villages torn to pieces by bombs and shells, bridges broken in two, railways strewn with a wild jangle of torn-up rails, twisted trolley poles, overturned engines,

and burned-out freight cars. All this, it must be repeated, has fallen on an area which before the war was pitifully poor.

The destruction of farm buildings and lands has reduced the output of agricultural products, on which the large cities always depended and now, with imports curtailed, must depend even more. But even those crops which are grown, frequently do not reach the hungry cities, for transportation is scarce and distribution poorly organized. Italy has become, as one Italian economist has said, a congeries of economic islands driven into semi-self-sufficiency by the disorganization of the war. To the enormous losses wrought by destruction are added those which follow when national specialization breaks down and resources are inefficiently used. Because the peasants cannot depend upon transportation of their crops to the city, tomatoes on the farm sell for a few lire the kilo while in Rome and Naples the price is ten or twenty times as great. Being either without goods to sell or subject to severely unfavorable terms of exchange, the peasants cannot obtain manufactured commodities and sink ever lower until the most elementary necessities are lacking. Many will no longer work the fields, not alone because of land mines—thousands take this risk each day—but simply because they have no shoes. With the wages which a farm laborer can earn it is almost a matter of indifference to him whether he is employed or unemployed. To buy a pair of shoes would use up three months' wages—assuming he had no other use for his income. (One wonders how American farmers would react to such conditions. Possibly, the matter of 110 per cent of parity would lose some of its crucial importance.)

In the cities, as well, there is a great disparity between prices and mass incomes, a disparity which operates to turn people away from the very kind of employment which the general welfare requires to that kind which brings no immediate alleviation of the nation's distress and often borders on the pernicious. In Rome real wages are about 40 per cent of their 1940 level—for those who are employed—and the purchasing power of salaries is even less. It is hardly to be wondered that a worker will try to find a job with an Allied military establishment, or earn money by pandering to soldiers, instead of working at the reconstruction of his country. It is a little foolish to rail at the Italians for behaving this way, to expect them to accept employment in, say, the building trades, at wages which would buy food for one week of the month, when they can make

at least the same money wages in the employ of an Allied unit and often be assured of one free meal each day. Nor can they be told to turn away from selling to the soldiers whatever the soldiers want when by so doing their chances of survival are measurably greater. Such activity is, of course, not a total loss to the nation, because Italy accumulates dollar balances out of some of the lire obtained from the Americans. However, these balances have been long in turning into goods and have offered no immediate relief to the country.

The effects of capital destruction throughout Europe could be traced in endless detail: to the reduction in productivity, to the changes in the allocation of resources and the kind and amount of goods and services produced and consumed, to alterations in the system of relative prices, the distribution of incomes, the kind and quantity of imports and exports, the terms of trade. These effects do not exhaust themselves in economic ramifications but are registered as well on social phenomena such as the level of culture, the forms of social organization and their interrelations, population, emigration, and reach to such basic political matters as the very frame of government. Obviously the magnitude of these latter changes cannot be measured, but this does not make them any less important.

For different reasons, the economic consequences of capital destruction cannot be measured in any meaningful sense. The extent of capital destruction itself is unknown, as the attempts to give it a monetary measure quite clearly indicate. The French, for example, after extended effort estimated total capital losses (at 1939 prices) to be a sum which later was discovered to be greater than the aggregate national wealth in 1939. In Italy efforts to make a census of losses have been inconclusive. However, a very significant indication of their magnitude is given by the decline in real national income produced. This has fallen to less than half its prewar level. But the loss of national income does not denote the full effect of the war's destruction, because there must be added the losses accruing from the disorganization of the economies of Europe. Crops grown and harvested may enter the national income as a part of the total product, but if they never reach the market the entry is a fictitious one.

The primary consequence of capital destruction is a reduced level of living. This is one of the brute, irreducible facts which the world must accept, and it is so obvious that it tends to be slighted. Because so little

can be done about it immediately or in the proximate future, men shift their focus to problems less intractable, such as the political composition of a particular government, the punishment of fascists or collaborators, the conduct of military governors, or the behavior of the State Department and the Foreign Office. Whatever is done about such political matters will have little effect unless it is done with a full understanding of the material conditions which European politics today must accept as data. Any kind of a government, from autocracy to libertarian anarchism, ultimately would have to contend with the tragic scarcity of material means. Moreover, it is my feeling that even the best of governments would make so little progress at capital reconstruction as eventually to give that government an air of failure. The wealth which was so quickly destroyed (though at an enormous cost to the victors) was accumulated through generations and centuries, and although it is physically possible to restore it in much less time the restoration will be anything but miraculous, heartening, or even rapid enough to provide for the most minimal needs of the European people. Meanwhile there is great privation, misery, and a wasting away of what in the final analysis is the source of each nation's greatest wealth, its people.

Although some would like to think so and others would like to have it so, America is not immune to the primary consequence of capital destruction nor to its other ramifications. In splendidly isolated comfort, some three thousand miles away, and concerned with such basic social problems as nylon stockings and the whiteness of white bread, Americans see European welfare as no more than a matter of social conscience. Yet what happens to an agricultural commune in Umbria or to a worker's quarters in Düsseldorf or in the ghetto of Lublin or the factories around Paris—all touch Americans not only at their sense of world responsibility but also where they appear to be more acutely sensitive, their material comfort. The businessman would do well to recall that Europe was America's best customer; the worker, that full employment is related to a high volume of foreign trade; and the consumer, that his welfare is enhanced by imports. If Europe sinks into abject poverty, America too will be drawn down, because we shall no longer be able to import in the same quantity and—if we are to show the most elementary decency to others—we shall have to export in greater amounts than ever before in peacetime. Obviously the United States will not suffer as much, but it

will be less prosperous if Europe is poverty-stricken; and until Europe recovers the American level of living will remain lower than it otherwise could be.

II

Monetary reform is the second datum with which reconstruction must begin. The monetary and fiscal chaos of Europe is almost as spectacular as the destruction of its capital. Its elimination is essential if orderly economic and political relations are to be established. One cause of the inflation is the capital losses, but these alone have not been sufficient to produce the enormously high price level which prevails in almost every country of the Continent. The disorder was the product, in part, of "practical" and "realistic" measures of war finance, whereby it was believed that the populace would be antagonized by taxation but assuaged by borrowing and new currency issue. The final strokes were laid on by the Germans with the monetary measures of their period of occupation and by the Allies with the issue of military currency. To sense the enormity of the inflation in Italy one may imagine that in the United States bread were $5 a loaf; cigarettes, $10 a package; shirts (colored), $175; shoes, $375; and men's suits, $1000. (These are not the dollar equivalents of current prices but represent equivalent proportional increases.)

A thorough reordering of the entire monetary system is indispensable to the recovery of the domestic and international economy, and the reordering is a task which must be done in greatest part by each nation acting individually. The International Monetary Fund, proposed at Bretton Woods, not only cannot perform this task but itself cannot function without tolerable price stability in each of the participating countries. Within each nation the present (high) price level operates to restrain private enterprises—a fact which inflationists in the United States may find of interest. Far from providing an incentive to expand production, the very exorbitance of prices immobilizes much economic activity, for businessmen realize that eventually prices must fall. An Italian manufacturer whose plant has been destroyed will not undertake to restore his factory, because by so doing he would incur capital charges which could be amortized only if inflationary prices continued to prevail over a fairly long period. For example, if a shoe manufacturer were to rebuild his plant at present costs he would have to receive from five to ten thousand lire for each pair of shoes, which prices are about ten thousand per cent

greater than those prevailing before the war: he would have, that is, to be fairly certain that the present price level would continue at least until his reconstruction costs were paid off. Even if there were no other uncertainties, to entertain such expectations would be sheer folly.

What the governments of Europe must do—regardless of their origins or objective—is to reduce drastically the amount of money in the economy. Yet so enormously has the total of circulating media grown that ordinary measures are no longer sufficient or feasible, and the measures requisite to reform may be inconsistent with political stability. It has been proposed that the Italian government call in all outstanding currency and exchange it for new, at a ratio of, say, 13 old lire for one new lira, thereby reducing the volume of money and current deposits to about the 1938 level. This proposal, offered in varying forms throughout Europe, is one of the most considered and fundamental that has been advanced, yet the conditions under which it could be effective are so alien to conventional economic practice that any government which adopted it would surely face an avalanche of discontent. If only money and checking deposits were reduced and other claims left untouched, the burden of public and private indebtedness would be crushing. The aggregate debt of most European countries has reached almost meaningless figures—the Italian public debt is more than one *trillion* lire—and a drastic reduction of money and demand deposits would reduce the money income of the nation to an amount less than that required to carry the annual interest charges on the debt. In order to avoid this result the government (if it did not wish to borrow the interest costs!) would have to scale down debts in the same proportion as other money. However, this device would create innumerable problems of justice between holders of different amounts of cash and deposits and between debtors and creditors, to say nothing of the psychological effect of even a nominal repudiation of a large portion of the public debt.

Yet deflation cannot be avoided because it would work injustices; even if there were no other imperative reasons, it is necessary in order to correct the greater injustices of the present inflationary prive level. Tens of millions of persons in Europe are being impoverished as their incomes lag behind rising prices while a few amass fortunes through sheer luck or skulduggery. Although the impoverishment of Europe was not the product of monetary disorder, this disorder has aggravated

suffering by placing the burden of poverty on those with relatively fixed incomes and by impeding what little reconstruction each country is itself capable of. That the materials of life should be so scarce is tragedy enough; that the already poor should suffer the curse of their poverty is utterly without reason.

The international economic position of Europe is now about as reduced as it can be and certainly worse than, in 1939, would have been thought possible. Before international recovery can begin there must be currency reform. The more quickly each country can begin to export, the more quickly can it import capital from the United States and from the few other countries which are in a position to supply it. Italy and the other countries of Europe cannot hope to regain their export trade for many years, but they can alleviate some hardship by the import of a few critically needed items. And these imports must be paid for (neglecting loans) by exports which can be sold at a price consistent with competing prices in the capital exporting countries. Each country, of course, hopes for substantial loans from the United States, but these cannot be expected with any certainty. Even if loans were forthcoming, cash imports would still be essential because their marginal importance would be very great. The crucial point is that such imports must be obtained within the very near future, for they are actually a matter of life and death for most countries. If Italy is unable to obtain farm machinery, fertilizer, seed, and other agricultural raw materials, thousands of persons will die of malnutrition. The longer the importation of capital is delayed the greater will be the necessity of each country's using its foreign balances to buy consumer goods. If the United States had sent farm machinery and seed to Europe last year, it would not have to send wheat now.

The urgency of capital replacement is the final reason why deflation is an immediate necessity and why the monetary systems of Europe cannot be left to correct themselves. Although there is no *theoretical* necessity for a reduction in the quantity of money—each country eventually could attain monetary equilibrium by permitting absolute and relative prices and the exchange rate to adjust to the new volume of money—the social urgencies of Europe require direct and immediate intervention. Failing such intervention each monetary system would reorder itself only in the long run, and in the long run, as certain economists have observed, we are all dead.

III

Third of the data of reconstruction is the legacy of authoritarian economic policy. It is now a commonplace (as it should have been before the war) that the military defeat of a nation does not alter in any radical way its social characteristics—that although the formal power of authoritarianism has been destroyed its hold on Europe has not been dispelled. The staying power of fascism is nowhere more evident than in the proposals and measures of economic policy since liberation. Such schemes call for an enormous exercise of economic power by the central authority and for investing economic power in governmental forms which are only nominally different from those obtaining under fascism. Whatever may be said for centralized economic control as a method of allocating resources, few today would propose the re-establishment of practices current in 1939. Rather it is agreed that the collective economies of fascism can no more again be tolerated than its regimented political systems.

The events since liberation, however, make one wonder whether this agreement is very meaningful. The Italians for two years have been free at least to talk about the new society, and if the practical results have not been remarkable neither has the discussion. The failure cannot be attributed *wholly* to the success of political intolerables in insinuating themselves into the government. Something more is involved than this, for the most remarkable examples of authoritarian policy emanate from those whose enmity to fascism cannot be questioned.

Typical of the broad proposals currently made are those of Gaetano Salvemini, who although he is not in Italy is listened to there with respect and whose outlook is highly significant. Like so many others, Salvemini disclaims any right to speak with authority about economics, and then proceeds to suggest elaborate measures of economic policy. The most astonishing of these is that the corporate system of Mussolini be retained. It is not the form but the motivation of this kind of collectivism which is important, Salvemini contends, and he states that in the hands of a righteous government the corporate system would be a great force for good. Within Italy, this point of view has the greatest currency, and Italians have no less a penchant today than ten years ago for incredibly complicated systems of government control—systems which carry a profound danger of ending again in dictatorship.

The proposals of the nominally liberal economists in Italy are also of great interest. The kind of international economic policy which emerges from their proposals is a combination of nineteenth-century protection and twentieth-century mercantilism. It is proposed, for example, that until the Italian economy becomes "stabilized" (whatever and whenever that may be), the state monopolize all foreign trade for the purposes of both commercial *and* fiscal control. The liberals trust that eventully normal free trade will replace the state monopoly. The "normal" free trade of their vision is, however, a highly relative phenomenon: it is free only in being less restrictive than the trade of the '30's. Since, however, it includes a tariff structure which will provide revenue and protection, it is rather at variance with what the term commonly signifies; indeed, by no effort however tortured can free trade be made to mean such an opposite as protection. This proposal, it should be said, has been advanced by Italy's most eminent liberal economist, Luigi Einaudi, now head of the Bank of Italy. Related to international trade policy is the plan for the restoration of the Italian merchant fleet, which before the war was an indispensable element of the military power and the aspiring empire. The prewar merchant fleet was built by misusing resources and its cost was borne by the people in the form of a reduced level of living. It could be justified only because it added to national power. With the greater part of that fleet now resting on the bottom of the Mediterranean, it might be expected that the country would plan its future on a more modest scale and consistently with its very limited means. However, Italy would now create a merchant fleet which will make the country independent of other nations for the carrying of its exports and imports. Such a policy of self-sufficiency calls for fifty per cent *more* tonnage than existed in 1939.

One final example may be cited of the staying power of authoritarianism. The labor unions of Italy—the first free associations of workers in some twenty years—are dissatisfied with their present status as voluntary organizations and are seeking to make union membership compulsory for all workers. All workers must be members of unions, they contend, if not by contractual agreement with the employer then by governmental action. The ordering of all workers into an organization so integrally a part of the state as the Italian labor unions now are is so similar to Mussolini's efforts at regimenting labor in the corporative

state and to Hitler's labor front as to call for no further comment. The ostensible justification for such a measure is that the worker stands in the same relationship to his union as the citizen does to the state: because membership in the state is compulsory, membership in a union also must be compulsory. (It is noteworthy that in the first free elections in almost a generation voting was compulsory.) There is no necessity for noting the specious quality of this justification, because it is not the real reason for the proposal. As an arena for recruiting a mass following, control over trade unions is sought by all parties, and the parties of the left—especially the Communist party—are currently in power in the labor movement. Their proposal for compulsory union membership is opposed by other parties not because it is ethically wrong but because it would worsen the position of the others in the struggle for power.

Other examples of lingering authoritarianism could be offered, and they would only underscore the obvious fact that fascism is not only not destroyed but that it is being served, unwittingly perhaps, by the authoritarian precepts of those who consider themselves its adversaries. Over the whole of Europe men have not liberated themselves from the tyranny of their history and from the forms of social organization which authoritarian governments have engendered. Nowhere is this melancholy truth more apparent than in their efforts to create a new economic order. It is as if the experience of all generations past and most particularly of the generation of fascism has meant little. It is little comfort to realize that in this, Europe is not alone.

* * *

These, then, seem to me to be the data which fix the basic economic policy of the principal countries of Europe: the necessity of capital reconstruction, the reordering of the monetary and fiscal system, and the removal of the incubus of authoritarianism. Whatever the kind of government chosen by the people, or forced upon them, it will have these problems to contend with. The best of governments, ethically and administratively, will find them difficult of solution and the reconstruction process a slow and painful one. This is not to say that the kind of government and of general economic policy is unimportant or that the *rate* of economic recovery is independent of them. But the *data* of recovery are.

As great as the effort required for reconstruction will be, the achievement will not be sufficient in itself. To replace the capital losses would

be to place Europe merely on the same level it occupied in 1939. The establishment of monetary and fiscal order would be a more substantial gain, for it would give Europe something it enjoyed only rarely in the interval between the two wars. The extirpation of authoritarian economic ideas and practices would be the greatest of the achievements. Yet all of these are merely prerequisite to taking the measure of the longer-range problems—the need for breaking down barriers to more equal economic opportunity, for providing substantial security, and for raising the level of living. If Europe (and the world) is to arrive at a position where it will not forever be preparing for war or clearing up its debris, and wrestling either with depression or inflation, these ends must be respected as more than pious platitudes.

In the hard days that lie ahead, an economic policy will emerge which will determine whether or not Europe is to have another chance. The influences presently at work in shaping this policy are hardly inspiring. On one side there are the ex-fascists who after wrecking one generation and deserting it in defeat are now attempting to attach themselves to another. Through war, revolution, famine, and prostration they have sought to cling to their possessions and to insinuate themselves into the new order. Theirs is surely the influence and power that corrupts, and the way is disgraceful in which they have been tolerated, by Allied diplomacy and the military as well as by the national governments themselves. (In Italy they have sat as heads of commissions charged with removing fascists from power.) If they must be used for necessary administrative tasks, they at least need not be given prestige and unnecessary power. On the other side there is a brashly conceived movement for the extension of governmental power, which if successful will produce an economy shot through with the worst features of monopoly enterprise and authoritarian planning. Some of the desire for indiscriminate socialization is the misdirected expression of popular discontent over the failure of capitalism to deliver its premia in the past. Some of it is sheer demagoguery fostered by the Soviet Foreign Office. Socialization, if it is to come, should be removed from stupid improvising and political deception.

Europe will do well to utilize to the utmost such spontaneous powers as are left in its people and to concentrate the authority of the state against flagrant abuses in the use of national resources and against gross inequalities in the distribution of the product.

THE MYTHOLOGY OF BROADCASTING

By ELEANOR E. TIMBERG

BROADCASTING'S VOICE should be changing. It is growing out of the adolescence of AM into the maturity of FM, television, and facsimile. Is postwar broadcasting to continue to speak the adolescent language and ideas of the past decade? Is spiritual awakening possible for so financially successful a lad? Probably not, educators, social and political scientists, and psychiatrists will tell you. But broadcasting will cause a problem of growing difficulty if the community does not take it firmly in hand. These next few years of physical development are crucial for the salvation of broadcasting's soul.

Many misconceptions are popularly held about radio which obscure the basic problems and make their correction difficult. We must first take stock of broadcasting to see how "free" the American broadcaster is in writing and selecting his programs, how "free" radio entertainment is for the listeners who tune in, how much their desires affect the choice of programs, and whether "the air belongs to the people" any more. Only by facing realities and contemplating our vanishing freedoms can we be armed for the impending battle of the air.

The American system of broadcasting with its thousand AM stations and its incipient FM[1] and television developments is generally cited as the finest and most comprehensive in the world. Yet a recent analyst (Russell Smith of the National Farmers Union, testifying before the Federal Communications Commission on radio's rural inadequacies) revealed:

> Great Britain, where broadcasting is strictly a public function, had 197.6 receivers per thousand, while Arizona, Florida, West Virginia, Texas, Ken

[1]AM stands for amplitude modulation, the system of transmission now in use; FM for frequency modulation, the system of transmission which is being substituted for it as rapidly as new stations and receivers can take over the job. FM, in spite of the early opposition of the large manufacturers, has proved superior in trueness of tone and elimination of static or interference.

tucky, Virginia, Tennessee, North Carolina, Louisiana, Arkansas, New Mexico, Georgia, Alabama, South Carolina, and Mississippi all had fewer than 176 radio homes per thousand. When a war-torn invaded country like Finland pays a tax on more radio receivers per thousand in the year 1943 than there were radio homes per thousand in seven American states, a question may well arise concerning whether the greater popularity of the American as compared with foreign systems of broadcasting can be proved from the radio receiver figures.

"American Radio Is Free Radio"

The individual licensees of the slightly more than 1,000 stations in operation at present are supposed to develop their own programs and are solely responsible for the broadcasts from their respective stations. How fine a thing it would be for our country if there were over a thousand independent radio forums of ideas, debate, news, and entertainment. But a majority of the thousand station owners are controlled in turn by four networks, and the networks are dominated in turn by a handful of advertising agencies operating for less than 150 major corporations. Only very large corporations can afford the $10,000 an hour (for one time, one night, full network) charges for a program. Even at that price, there is a limited amount of broadcast time available in these days of commercial boom. To the extent that the individual stations are dependent upon network affiliation for financial success, they are in turn dominated by the same major corporations. The network system, therefore, considerably narrows the choice of programs, ideas, and issues to be found on the air.

Another constrictive pressure on the treatment of ideas and issues is the increasing proportion of newspaper ownership of radio. In 1943 two thirds of the radio stations of the country were owned in whole or in part by newspapers. No other outside business owns so large a segment of broadcasting, and the duplication of the two communications media in this fashion has tended to limit the available mouthpieces of American speech for controversy, invention, and diversity. Granted certain economic and technical savings in the case of a newspaper-radio enterprise, the dual ownership and its growing proportions is a serious challenge to an alert community. In over a hundred towns in 1943, the only newspaper owned the only radio station; in allotting broadcasting licenses, we had denied forums for debate and enlightenment to a hundred communities.

The trend toward amalgamation and bigness is defended by the network owners and large advertising agencies who say that quality is

expensive; that symphony orchestras, top Hollywood talent, and seasoned commentators would never reach the small station audience without the expenditure of large sums of money by mammoth advertisers. The critics of radio-as-it-is say that more local talent and more ideas of community interest would vie for attention with the colossus-minded networks if the trend toward bigness and the Hollywood-New York axis were reversed.

Of course it is true that American radio is not the mouthpiece of an all-powerful government or a ruling clique which can gag it as other countries' broadcasters have been gagged. Our gags are self-imposed. Norman Corwin, probably the most well known creative talent in radio, complains that advertising agencies and network commercial policies stifle the creative writer. Arch Oboler, another radio playwright of renown, spoke his mind at the University of Oklahoma in March when he said:

> The broadcasting system of today . . . has gotten money hungry to a degree that is far larger than its sense of public responsibility. Humbug fills our free American air. . . .
>
> Cigarettes which differ from any other cigarette in a standard pack only in the label on the front, make violent claims to having qualities in T-zone, doctors' acceptances, and therapeutic values worthy of a mixture of opium, Sister Kenny and that psychiatrist in the motion picture "Spellbound."
>
> You may ask what this has to do with radio writing. Simply that some of us can't write honest radio under such circumstances.

Norman Rosten, a writer of both commercial and sustaining programs adds his view:

> The sponsor and the advertising agency have taken over radio quietly in this matter of writing. Except for sustaining shows (often worthy, such as "Assignment Home") or special public service programs magnanimously aired after 11:30 p.m. the broadcasting company sells TIME. It owns the air. It will sell you a piece. Period. . . .
>
> By "non-commercial radio" I do not mean simply any sustaining series. . . . How about setting the Saga of Lux or the creaking door aside one half hour per week per network? It might well usher in a renaissance in radio drama. How about it, NBC, CBS, American, and Mutual? Put up or, as the saying quaintly goes, shut up. Prove it, or forever hold your pronouncements about radio coming of age. We are nearing the middle of the twentieth century. Shall the singing commercial and the Lone Ranger inherit the earth?

The many-faceted problems of fair presentation of the news, freedom of opinion for news analysts, sponsored or unsponsored news reports, responsibility for broadcast slander and its possible rebuttal, the handling of controversial matters and matters of minority interest have been under scrutiny in recent years and are relevant to the evaluation of radio's "freedom of speech," but are too involved for discussion here. Nevertheless, their resolution calls for a clear conception of the commercial matrix of radio and its consequent effect on broadcasters.

Any attempt to widen the bottleneck and diversify the controlling voices of broadcasting is greeted with the industry's wail of "It's death to free speech." Speech is not "free" or "slave." It is only more or less free. As Neville Miller, at the time President of the National Association of Broadcasters, has said: "The basis of the American system of broadcasting is not the right of an individual to be heard, but the right of the public to hear." The public does not now hear the voice of its many minorities, of labor, or of consumer groups to any representative extent. Ideas which might arouse vigorous controversy, and antagonize sponsors, on the whole receive no air time.

After a consideration of programs as they now issue from our 60,000,000 receivers, it is clear that radio speech is less free under fewer owners with unchecked commercial appetites; that steps toward diversifying ownership and requiring public service—along the lines of public attention, FCC administration, and Congressional direction—can only result in making it more free.

"The Public Determines What Programs It Wants To Hear"

Charles Siepmann, in his recent *Radio's Second Chance*, shows that radio is now a one-way proposition. The stations, under constant pressure from sponsors, advertising agencies, and networks, fill the air with increasingly commercial fare, with program content rendered so innocuous that it will offend no possible customer. The listeners have no organized forum for reply. Crossley and Hooper ratings echo back to them that they like a program, but the industry gives little opportunity for any expression of dislike, or the reasons for likes and dislikes. Despite a simmering feud between newspapers and radio for the advertiser's dollar, the papers rarely publicize any of the polls or surveys showing discontent with radio programs and commercial excesses. This is reserved for colored treatment in the trade press (excepting the excellent publication *Variety,* and

on occasion *Radio Daily*. The radio-owning newspapers particularly are prone to select for headline purposes only the occasional study with complimentary results. Among such may be cited a survey made a few months ago which claims that its statistics prove that only 29 per cent of the listeners object to commercials and that 62 per cent desire them—a result contrary to all reason and belief.

Letters from individuals or groups sent to stations or the FCC are as a few sands on the beach subject to the pounding of the constant powerful waves of publicity generated by the station owners and controllers. Siepmann, following the lead of Commissioner C. J. Durr of the FCC, proposes the extension of listeners' councils to every radio community and the establishment of a Central Radio Research Institute, designed to promote research and establish standards of public service and interest. Such an institute could speak for the disorganized listeners in tones loud enough to be heard over the booming propaganda of the National Association of Broadcasters and the more subtle whisperings on Capitol Hill of the network and sponsor lawyers. Even the institute, however, would have to be on guard against the financial blandishments of its detractors.

The power of the broadcasting industry was made manifest in the passage of the Lea Bill (already undergoing court test for questionable constitutionality) in April, 1946, outlawing certain practices of the American Federation of Musicians under James C. Petrillo. Granted the provocation arising out of Petrillo's interdiction of all music broadcast from abroad, all student orchestra broadcasts or other cultural programs from nonunion sources, and the featherbedding of studio musicians, still this piece of legislation—aimed at a specific official, union, and policy—was pushed through Congress in lightning fashion ahead of matters of far wider social application and import. Antilabor sentiment in Congress may have made that body a pushover for this special radio pleading, but the industry was there to give the push!

By way of contrast, there has been no legislation to amend the Communications Act of 1934, regulating the whole broadcasting industry and radio spectrum, in spite of recurrent Congressional investigation into the subject spanning five years and covering thousands of pages of printed reports.

The public, far from dictating to the broadcasters, goes largely unheeded. Siepmann refers to the testimony of a CBS executive that a sample survey uncovered three million listeners who preferred good music *all* the time and six million who preferred it *half* the time. Rural listeners, the Negro community, the health needs of the nation, the needs and interests of children, are badly neglected by program directors motivated primarily by product selling and sponsor wooing.

The definitive document on broadcasting's program service is the FCC Report on Public Service Responsibility of Broadcast Licensees, published on March 7, 1946 (139 pages mimeographed, free on request from the FCC or the NAB). The report shows woeful discrepancy between the promises of the applicant for a license and the subsequent program performance of his licensed station. It distinguishes the purpose of sustaining (unsponsored) from commercial (sponsored) programs, and establishes the need for a fair ratio between the two types in order:

1. To secure for the station or network a means by which in the over-all structure of its program service, it can achieved a *balanced* interpretation of public needs.
2. To provide programs which by their very nature may not be sponsored with propriety (i.e., a speech by President Truman).
3. To provide programs for significant minority tastes and interests.
4. To provide programs devoted to the needs and purposes of nonprofit organizations.
5. To provide a field for experiment in new types of programs, secure from the restrictions that obtain with reference to programs in which the advertiser's interest in selling goods predominates.

The report shows the encroachment of canned and network material on the local scene. It denounces the inadequate record of the industry as a forum of debate on public issues. The timid and self-censoring attitude of most broadcasters derives from their commercial peonage to their sponsors and would-be sponsors as well as from the fact that they share the psychology of an established big business group. Labor unions and co-operatives have had short shrift on the air, and most have met closed doors.

The excesses of advertising are discussed in the report. The soap operas (containing serial stories in which "the tone is lugubrious and the pace is torpid") blanket the daytime hours of two of the four networks and attract a very loyal but small audience. A third network

abandoned soap operas only a few years ago. Cash award programs in which musical transcriptions are interspersed with commercial spot announcements every few minutes for "the purpose of inducing listeners by monetary appeal to subject themselves over long periods of time to sales appeals" are hardly in the public interest, convenience, and necessity.

The increasing length and number of commercial announcements per program (with the colorful nomenclature of spots, cowcatchers, and hitchhikers) over the years since radio's birth, the middle commercial suddenly and inexplicably breaking into news broadcasts, the pseudo-patriotic appeal, the physiological slant, the propaganda commercial, and the intermixture of propaganda and advertising come under indictment. (The singing commercial, object of much private invective, is not, however, discussed by the FCC.) The industry had from time to time voiced concern with these problems, but, in spite of isolated reforms, they are aggravating apace. The wording and length of commercial announcements can only be a matter of industry self-restraint, but the encroachments of commercial programs and sponsorship on the total broadcast time could be governed by governmental action reserving sufficient and convenient listening time for public service programs.

"The Public Gets Its Programs Free By Permitting Advertising"

Financially domestic broadcasting is one of the most prosperous industries in these boom days—$416,000,000 of gross income in 1945, divided about half and half between the thousand station owners and the four networks. But "the tremendous increase in profits from 1937 to 1944 (from $23 million to $90 million) was not due solely to the increase in advertising revenues, but is also attributable in considerable part to the fact that the industry has progressively retained a larger and larger proportion of each revenue dollar as profit and has spent a smaller and smaller proportion for serving the public" (Report, p. 94).

Each proposal for innovations or higher program standards is met by most broadcasters and their publicists in the NAB with cries of alarm. The regulation of chain broadcasting in 1941, following upon an extended FCC inquiry, brought forth Cassandra-prophecies of broadcasting's demise and a long court battle against the regulators. The industry also argues that its investment (small as it is in proportion to current operating profits and rapidly inflating values) would be wiped out by each proposed

reform, with consequent death to "free speech." But Siepmann notes the listeners' investment of $2,078,000,000 in receiving sets, as against the industry's $81,148,128 in equipment, and points to the listeners' favorable balance of 26 to 1. He reports that advertisers paid $396,946,991 for radio advertising in 1944, but listeners paid $630,000,000 for batteries, tubes, and the like.

The issue, therefore, more properly stated is: The public pays through the nose for its "free" radio.

"The Air Belongs To The People"

The industry operates under the Communications Act of 1934, which authorizes the Federal Communications Commission to issue a license to an assigned wave length to any person qualified to broadcast in the public interest. The air waves are public property and were meant to be kept so by the licensing system. Until today, however, when the FCC has issued a *mea culpa* report of intended reform, a station owner who committed no flagrant crime was relicensed continually without examination of his broadcasting performance. The act specifically says that a wave length can not be bartered like private property, but a current owner in effect could sell his wave length at any price he could get to any other businessman of ordinary credit and reputation. Since the spectrum's space for broadcasting is limited, in view of the urgent competing demands from other radio services for the police, the army and navy, and government foreign broadcasting; and since station prices are today inflated beyond the reach of most men, broadcasting ownership is not open to all qualified citizens on an equal footing. Although the rising prices of stations, obviously trading upon the possession of a wave length in violation of the spirit as well as of the letter of the law, is deplored by all parts of the industry and its regulatory bodies, inflation continues apace.

In a dissent to a majority request sent to Congress in 1944, asking for a clear directive to the FCC on station speculation, three flagrant cases were cited by Commissioner Durr. The purchase price for Station WJLD of Bessemer, Alabama, was $106,000—more than seven times its net worth and twenty-one times its net profits before federal taxes. The purchase price of Station WINX of Washington, D.C. was $500,000, ten times the net worth and twenty-four times the net profits before taxes, a profit of 950 per cent on its net worth; the station was first licensed

four and a half years before. Station WQXR of New York was selling for $1,000,000, four and a half times the net worth and thirty-three times its net profits.

In bringing this speculative situation to light Commissioner Durr asked:

> In each of the three transfers under consideration, the price being paid appears, on its face, to be greatly in excess of any demonstrated value of the properties and business being sold. For what is this excess being paid? Are there elements of value in the transferors' properties and business which are not apparent from the information contained in their applications, or are they selling something which they do not own and have no right to sell, namely the use of a radio channel?

And yet, two years later, the sale of Station WFIL of Philadelphia was authorized by the FCC at a price of $1,900,000. The station's book value was $148,000 and its net profits for 1945 $300,000.

The inconsistency of the theoretical proposition that the wave lengths are publicly owned with the fact that they are treated in practice as vested in private ownership is well illustrated by the AVCO decision, rendered by the FCC a few months ago. The Crosley Corporation asked permission to transfer the license of Station WLW of Cincinnati (at one time the most powerful station in point of range in the country) to the Aviation Corporation. The Commission majority granted the transfer of license for a value said to approximate $4,000,000 (but never specified, as the radio law requires) to a new owner who had no broadcasting experience and did not want to own a broadcasting station. The new owner, an investment trust, was acquiring the station as part of a large package of industrial concerns and only at the FCC hearing on the transfer expressed any interest in broadcasting and public service.

The AVCO sale made it patent that freedom of ideas and zeal for public service are not the usual motivating forces for taking up the broadcaster's role. Can one conceive a newspaper owner of any renown who would sell his news properties complacently to a "soulless corporation"? Newspapers at least have the tradition of freedom in their background. (*The Chicago Daily News*, for instance, was sold two or three years ago, not to the highest bidder, but to a man of long newspaper experience.) But radio is a young and technically prodigious infant with no basic inheritance of freedom's lares and penates. Where in radio will you find a John Milton or a Peter Zenger? Instead you find Powel Crosley in the

lead of the independent broadcasters, and Victor Emmanuel as his successor by remote control.

In the AVCO decision, the majority of the commissioners pointed out that station transfer to a financially qualified owner had never been denied in the past. New policies looking to other than financial qualifications and intended to enforce the Communications Act of 1934 were innovations that should only be applied in the future. They called for competitive bidding for stations which were proposing a license transfer, but made no move to curb price inflation and thereby to open the bidding to more than a handful of applicants.

The commissioners were busy men, snowed under by thousands of applications for postwar broadcasting facilities and struggling with the choice of far-reaching new practices to govern all the broadcasting services of FM, television, facsimile, and walkie talkie, as well as their common carrier communications duties. They tossed off this crucial decision covering the basic issues of broadcasting—sale of licenses, program performance for "the public interest, convenience, and necessity," local interest, responsibility, and participation in station programs—with the excuse that past inadequacy of the commission's administration dictated indetermination in the case before them. At the request of the two industrial empires involved in the transaction, they rushed approval of the deal ahead of other pending business.

The minority statements on the AVCO case, which indicated that the FCC had the power to stop the sale or reorder it, seem to me to answer the doubts of the majority, who believed that they must return to Congress for the necessary authority. The corrective of station price inflation, private trafficking in public wave lengths, and absentee ownership of stations can only be forceful FCC administration of the Act outlawing them.

"In FM Lies The Cure Of Radio's Ills"

It is now universally accepted that FM broadcasting is technically superior to AM for American purposes and that we will gradually change over from one to the other. The advent of FM introduces immense opportunities for freshening the turgid springs. Where the AM spectrum has room for only about a thousand stations, FM will permit 3,000 to 6,000. Where 50 odd AM stations of 50,000 watts staked out claims to the few available clear channels years before and now dominate the local and

regional stations with their powerful voices, wide coverage, and financial advantage, each FM station can reach only 30 to 150 miles and will introduce more competition on more equal footing. In addition FM will permit higher fidelity transmission and little interference.

Where only four networks have been able to survive in the AM system (two more tried again this past year, and failed to survive), a number of state-wide educational and commercial FM networks have been awaiting their opportunity to start construction and operation. FM is also the carrier for the new radio services of television and facsimile which are still in an early stage of development.

FM brought the promise of new blood, fresh ideas, pioneering and experimentation. Its promise is already facing disappointment six months after the first postwar construction permits. The first 300 licenses have gone for the most part to the established AM operators. The same networks, network affiliates, newspapers and independent owners have moved over. Of 834 applicants, 561 are AM licensees, including 330 newspaper interests. The Senate Small Business Committee made a study of "Small Business Opportunities in FM Broadcasting" and found that "the desirability of attracting newcomers into the field of radio broadcasting is generally conceded," but that the potentialities of FM were never fully publicized outside the trade and the operators of AM stations have decided advantages.

> . . . an existing AM licensee can build an FM broadcast station for less than it would cost a newcomer by utilizing common personnel, and by broadcasting his AM programs—with little or no added cost—over his FM station. Because of the shortage of FM receivers, the first few years of operation may well be unprofitable ones. And inquiries made among radio manufacturers have revealed that most of the receivers manufactured during 1946 will not have an FM band. Finally, the AM applicant can use his profits from AM operation to cover losses which may accrue during the development period of FM operation and can offset any FM losses against his AM profits as a tax allowance.

The Senate committee proposed that the commission reserve some channels for veterans who are not able to apply as yet or to compete in the early developmental and nonprofitable stages of FM; that it inform the public more fully of radio developments and encourage the widest possible participation, and that consideration be given for future growth as well as present blueprints.

> Opportunity for expansion is the lifeblood of small business, and radio will benefit by the vigor and energy of those who enter on a small scale with ambitions to grow. Conversely, it will suffer if, during the next few years, it becomes merely the dumping ground for investment-thirsty capital accumulated in other fields.

The educational institutions, whose nonprofit broadcasting efforts had petered out in the twenty-five years of competition with AM commercial stations, have taken a new lease on the air and are applying for space on the twenty channels reserved for them. Labor unions and a few liberal groups are applying for FM stations. The PAC issued a Radio Handbook for the last election that has continuing value for noncommercial groups thinking of radio as a rallying point and medium of expression.

Much can be done this year, this month, to change the course of broadcasting. Listeners can join or organize listeners' councils in their communities which, if not turned over by inertia to the direction of the network or NAB field staff, can express with louder voice and more telling effect the reactions and desires of the local listening public. The councils, too, can study the medium and prove more constructive critics than an untutored listener.

A radio production center, a public service organization proposed by Mr. Siepmann, presents fine possibilities for radio's improvement if it could keep its identity and purpose free of any industry ties. As a technical research and script center with no commercial motivation, it might well pioneer in directions heretofore marked "no thoroughfare."

Subscription Radio may rise again, after its rebuff last year, to offer program competition to existing sponsored radio. Subscription Radio was a corporation related to Musak and headed by William Benton which proposed to broadcast three unsponsored radio services and support their broadcasts by a subscription charge. Subscribers could choose from a continuous program of light music, of classical music, or of drama and talks. The three services would require three FM channels at the top or bottom of the FM spectrum allocation where they would not interfere with the dialing and reception of nonsubscribers to whom they would sound like static. Subscribers would be furnished with a gadget for a charge of five cents a day to filter out the static or "pig squeal." Subscription Radio was prepared to offer features unobtainable in commer-

cial radio—noncommercial consumer shopping programs and announcements of outstanding broadcasts available on all stations. The idea was pretty well defeated by industry protest and abandoned when Mr. Benton became Assistant Secretary of State, but as an idea it was a stimulant to radio planning.

Congress might once more investigate the composition of radio ownership and decide to order the divorce of radio and newspaper ownership (especially in communities where the only newspaper owns the only radio station); the divorce of network operation and station ownership, so that networks would concentrate their energies on program plans; and the divorce of radio operation and radio manufacturing. This latter marriage is most successfully typified by RCA-NBC and was in large measure responsible for the stunting of the growth of FM in the 1930's and of color television today.

Congress might also require a specific evening time each day for public service programs so that stations would not compete for commercial sponsors at that hour and noncommercial programs could hope for a large, regular audience. The FCC has also asked Congress for specific instruction as to the proper curbs for station inflation, although many lawyers think its existing legislation empowers stronger steps than the FCC has thus far taken to check traffic in wave lengths.

Either Congress or the FCC may some day consider whether news commentators and analysts, religious programs, and the like should accept commercial sponsorship. It is unlikely that the industry will be in a position to take a stand on this issue.

The industry's job is to set more reasonable standards for commercial copy and to censure more specifically and drastically stations which are obviously below these standards.

Action from all these groups can and should be concurrent—listeners, expert and creative talents, Congress, the FCC, the NAB, and independent broadcasters. The FCC's Report is a point of departure. It describes present trends in programming and commercialization, with horrible examples from real life. It sets forth clear definitions and proposes henceforth to require from licensees performance for promises.

Most of the industry has greeted the report—a purely lets-look-at-the-record job—with its automatic reaction to all criticism from its public regulators. Censorship! Program interference! Left-wing nonsense lead-

ing to government ownership! Many broadcasters, however, are endorsing the report. As for the public, it scarcely knows what the letters FCC stand for, let alone that a critical battle is joined.

Broadcasting, like the movies, strode in these war years to miraculous heights of technical excellence. Will it, like the commercial movie, remain a crassly motivated virtuoso, a soulless prodigy? If the FCC's new licensing and public service broadcasting program goes forward, young broadcasting may grow up to be a figure of respect in this country comparable to book publishing and the theatre. If little change is effected by FCC practice, stirred by popular pressure and Congressional mandate, broadcasting will remain in the kindergarten class of most movies and comic publications which characterize the American scene today. Civic interest, indignation, and participation will decide.

AMERICA---A YOUNG CIVILIZATION?

By MAX LERNER

WHATEVER THE ATTITUDE of Americans toward the institutions they left behind in Europe, those they brought over with them suffered a sea change in transit, and they were further transformed under the conditions of the American earth and sky and moral climate. Despite the European dream which depicted America as having all the wealth of the Indies, the American environment was not an easy one. The poet who spoke of "the stern and rockbound coast" on which the early settlers landed in New England came closer to the actual conditions.

But however dour this made life in the settlements during the early years, it was to prove of immense advantage in the development of a civilization. For the arts of life sometimes flourish best where the techniques of living are difficult and challenging rather than easy. If the settlers had come to Tennyson's Land of the Lotus-Eaters, they might have lived in a swooning lotus ease, but they would not have built an enduring civilization. That is the point Arnold Toynbee makes in his "stimulus-challenge" concept in the first volumes of his great *Study of History*, where he proves with a wealth of illustration that a difficult and therefore challenging environment (provided it is not too difficult, and barren even of challenge) furnishes a corresponding stimulus to men's civilization-creating energies.

This has been true of many civilizations in their origin, and not only of the American. But of none has it been true, as it has been of America, that the challenge of a difficult environment came up afresh as a stimulus through most of the civilization's history.

Every civilization has its genesis, and usually under difficult conditions. The period of genesis is not only the period of birth; it is also the formative period when new things are happening, and attitudes get shaped before they begin to get set. Some civilizations are overtaken by catastrophe, which often serves as a stimulus to another genesis, a rebirth of creative energies. In others a process of social revolution may renew

the lagging energies or break the log jam of the dammed-up ones. But in most instances, after the springtime of great creativeness, a civilization settles down to live on the accumulated capital of its achievement, grows rigid, loses its sense of excitement and newness and power. It becomes only the hulk of what men once dreamed it; it deadens the inventive instincts and replaces them with routineering habits; it hugs its past instead of fashioning its future. It is, in Eliot's phrase, an "old man in a dry season." In fact, Spengler in *The Decline of the West* goes so far as to restrict the term "civilization" to this phase of the life history of a people, using the term "culture" both for its whole span and for its creative "springtime" beginnings.

It has been the felicity of American civilization to have had an extended genesis, a protracted springtime. It started on a thin strip along the Atlantic coast, from New Hampshire down to the Carolinas and Georgia. But even before it had achieved freedom and a degree of unity for the early settlements, it had already begun to move inland, and make inroads upon the interior. Every new gain in national consciousness and power and wealth on the part of the settled regions was paralleled by a deeper penetration into the unsettled ones, and the opening of new sources of wealth and power and new reaches for the national imagination.

From the Jamestown settlement in 1607 to the present, the span of American civilization has been 340 years. Of that (since the end of the frontier is dated from the 1880's) about 275 years have been years of continued genesis. Thus there was never a time, during that span of 275 years, when somewhere in America men and women were not starting anew, wrestling with Nature and hewing out of the wilderness a new community and a new sense of society.

This brings us to Frederick J. Turner's famous theory of the moving frontier. It is a theme that has been fought out countless times. But the fight has been too much on the validity of the Turner thesis and too little on the implications to be drawn from it. Turner himself wanted mainly to show the impact of environment and economic factors on political and intellectual history. He wanted to trace the degree to which the geographic-economic forces conditioned American growth. He succeeded in proving that the moving frontier had created a democratic resurgence in the Jacksonian movement. While he never saw adequately the big role of labor and the city in Jacksonianism, he and his followers saw the

impact of the frontier on the labor movement and on the absence of a large proletarian potential in American history.

But they have fixed on these direct relations rather than on the life history of the American civilization as a whole. Stand back and view that civilization in the large, and you will see that never before in history has a civilization come to maturity in so short a span; never before has it been a span of which the largest proportion has been permeated by the genesis of the civilization, with a sense of continuous new beginnings.

This is not to say that the American has been the only civilization with a large and unsettled frontier area over a long span of time. That has also been true, to pick random examples, of Russia, Australia, Canada, Argentina, Brazil. It is true of any big continental expanse which has unsettled land in large quantities stretching beyond the settled population centers.

Yet none of these form a crucial parallel to the American experience. What they lacked, and what America had (and here we must extend the Turner analysis), was a major industrial and capitalist revolution taking place at the same time as the frontier settlement, and linked with it. American life was being transformed vertically at the same time that it was being extended horizontally, and the dynamism of each fed and was fed by the dynamism of the other. On one level Americans continued to face Nature with stark personal directness, while on another level they were fashioning new contrivances that gave them the exhilarating joy of a commanding mechanical mastery over Nature. They were at once Prometheus and Dr. Faustus, and each fed their sense of newness and power, their feeling of creativeness and their conviction of mission. Thus, while the adherents of the Turner thesis are right to stress the democratic attitudes which were springing up in the West as against the conservatism of the East, there was another and perhaps truer sense in which the two attitudes drew from the same source. For the eastern capitalist, however conservative, retained for a long time the unquenchable élan of discovery; while the western frontiersman, however progressive, never lost the Lockean sense that by mixing with his labor the domain he was hewing out of the forest he was creating a new property for himself. Somewhere the noble savage met the Alchemist. Somewhere Davy Crockett became Andrew Carnegie. At that point America was made.

This parallel opening of the land frontiers and the frontiers of capitalist industrialism meant that every new accession to the American nation was constantly being absorbed into the body politic. Under other conditions America might have taken on the Australian pattern—a permanent metropolis plus a permanent hinterland. But the constant growth of trade and manufacturing, the creation of markets abroad and at home, the advancing state of the industrial arts, the need at once for agricultural products and for industrial skills, all meant that the hinterland did not long remain hinterland but was steadily absorbed into the new industrialism. Thus what America had was not only a moving frontier but a creative frontier, not a genesis which began and closed and which led to a pattern once for all, but a continued genesis which kept alive the possibilities of the civilization.

* * *

This offers a clue to the two principal facets of the American character. There have been innumerable books and articles describing the American character and recounting the traditional American traits. But this becomes an arbitrary exercise unless it can be linked with institutional development—unless what men have become can be connected with what they have done. Self-reliance, courage, alertness, obstinate endurance, friendliness, a democratic informality are the traits that emerged from the continuous cycles of land-settlement. A sharp and shrewd aggressiveness, a willingness to take chances, an organizing capacity, a genius with machines, a sense of bigness and of power, an assumption of destiny are the traits that emerged from the industrialism and the capital-markets of the metropolis. The two sets of traits were fused in the American national character because the two strains of development were interlocked in the crucial phases of American history.

Maurice Hindus reports from Russia that the favorite American authors there, as of 1945, were Jack London and Mark Twain. This may seem at first glance either whimsical or unimportant, but some further reflection will show it is neither. For what the Russians of today have in common with the Americans, whose development Twain and London distilled, is exactly the combination of the daring and hardships and humor of the frontier, with the élan of an expanding industrial power. The head of a Russian exploring and engineering party told Hindus that at the end of a day trying almost beyond endurance, when he is ready to

yield to a blank discouragement, he finds in Jack London the sense of man's wrestling with Nature which gives him a new resilience and hope. And on the collective farms men still stand up and give evening "readings" from Mark Twain much as Twain did himself on his "reading tours." In both authors there is the vitality of an extended national genesis which appeals to a civilization traversing an almost parallel trajectory several generations later and within its own framework of tradition and ideas.

It is notable that this should be America's impact on the most creative of the new civilizations—the only one that effectively challenges American world prestige and dominance. In the thirty years that have elapsed since their Revolution, the civilization of the Russians has been an expression of three forces: the settlement and extension of frontiers with the élan of the Russian "manifest destiny," a rapid socialist (rather than capitalist) industrialization, and a rise to power. Note how similar these are to the American trilogy of the extended frontier, rapid (capitalist) industrialization, and the rise to power. In one respect the Russians have gone faster than the Americans went. In the American case, the sense of power and destiny were a sense of economic power and destiny within national limits: the Theodore Roosevelt-Admiral Mahan period of America's emergence as a self-conscious world power did not come until the turn of the century, when the frontier was gone and the period of extended genesis at an end. In the Russian case the rise to a dizzying *world power* has come simultaneously with the processes of frontier settlement and industrialization.

That may account for the evidence of tiredness and frustration that have come over American life while they are missing from Russian life. And it may offer some prognosis for the next decades of competition for world prestige and power—unless the Americans are able to uncover new resources of vitality and will to show that their extended genesis, which stretched over so long a period of American life, is not yet at an end.

* * *

For some time, before it can become one world with one dominant law and one set of prevailing values, the world will live in the shadow of big power aggregates. The rest of the twentieth century will be a competition—a peaceful one, if we are lucky, a bloody one if we are not—for the hearts and minds of the peoples of the world: a competition in which

America, with its standards of living and its metaphysic of promise, will be one of the big protagonists. What will America bring to this competition? Not only what outer might, but what inner strength? What resources of humanist vitality will it bring to the demanding tasks of world leadership?

You may answer: America will bring its youth and resilience as a civilization. But how true is it that America *is* a young civilization?

It is true that the span of its history is a brief one as civilizations go: less than three-and-a-half centuries since the first European settlements, and only half of that time as an independent nation. Compare that with Greece or Rome, with China or India or Japan, with Britain or Russia, and the American story seems the story of a youthful people.

But this leaves to be explained the scarcely arguable fact that America, the youngest of the great civilizations, is today most heavily laden down with a tired cynicism; and that America, which so brief a time ago was the most revolutionary of the world's great civilizations, is now generally recognized as the most conservative.

If then we ask whether America is old or young as a civilization, our answer must be a straddling one. It is both. And to make such an answer possible, we must distinguish between America as a moral and political ethos and America as a social system and as an inner system of power. The ethos of American democratic promise is still young: so young that it can scarcely be called mature. But America as a system of capitalist power, owning-class fears, acquisitive habits, materialist values, is already old: so old that it has become a world symbol of the tenaciously conservative. Hence one part of American civilization has become senescent before the other has become mature. That is the clue to the peculiar combination in Americans of the personally youthful and the socially rigid, the personally forthright and the socially indecisive. America, to put it coldly and paradoxically, has grown old before it has grown up.

I am not arguing now that it has grown old in any of its intrinsic matter—what might be called its *materia civilis*. Far from it. The will to live is not old in America, nor the will to explore, nor the will to be first. Those who before the Global War laughed at American survival power have had their laughter stilled. There is nothing deridable about a people who seemed supinely acquiescent at one moment, and in the span of a few years roused themselves like a Gulliver and rose to the overshadow-

ing mastery of the world scene. Nor does it make sense to speak of the American economy as a "mature economy" — if "mature" is to mean sapped of resilience, ready for decay and decline. The American economy as a system of production, inventiveness, and energy is far from "mature" in any such sense. It is mature only in the sense that it is at the manhood of its powers, with a great creativeness ahead of it, but still clinging to methods that are bound to tear the heart out of that creativeness.

The crucial fact is that America, one of the youngest of the great civilizations of the world, is one of the oldest of the social systems. Three centuries is a short time as the span of civilizations goes. But it is a long time as the span of uninterrupted social power goes. Of the Great Powers, the Chinese had their revolution in 1911, aiming at (although they have far from achieved it) a socialist and democratic nationalism; the Russians had their revolution in 1917, changing the whole basis of class power; the French suffered catastrophic defeat in 1940, and while they have not yet found a new class alignment, the old one was shattered when the old ruling classes were implicated in collaboration and treason, and the Resistance wiped out their moral basis; even the British, among whom the capitalist system of social power has lasted longer than anywhere except in America, voted in a socialist government in 1945, and while the new equilibrium of class power has not been settled there either, the fact that it is an open question is the significant fact. Only in America, of the Big Five, has the system of class power remained basically unshaken from the days of Alexander Hamilton and Nicholas Biddle to the days of General Motors and Alcoa and Dupont.

I am not now arguing that change for the sake of change is either necessary or healthy in a civilization. Like any organic entity a civilization also needs an inner principle of stability. Nor am I arguing Pareto's thesis of the circulation of the élites as a necessity. Here I stand rather with Jefferson's position that democracy offers the best method for a continuing refreshment of the élite by new blood selected not for birth or wealth or lust for power but for talent and leadership. Certainly if the present élite of corporate capitalism in America were to be replaced tomorrow by an élite of fascist gangsterism, as happened yesterday in Germany, there would be no accession of youthfulness in the American social system. It would be a little like taking a lethal dose of strychnine in order to pump new blood through the circulatory channels of the

heart. What a social system must have to retain its youth is not change for the sake of change, but a way of keeping the sluices open that give work its opportunity, aspiration its outlet, talent its return and ability its reward. This is the point at which the principle of change in a social system meets the principle of health in a civilization.

The system of social power in America, which has long kept these sluices open, has allowed them to be largely closed again. In class terms this has meant that an individualist capitalism, once useful in opening the frontiers and exploiting the resources of a continent, has been replaced by a corporate capitalism which has entrusted the strategic passes of economic opportunity and security to the private monopolies. The hope for the career open to talents—the hope that swept the world in the seventeenth and eighteenth centuries, that made the English system at first so attractive to the French, and the French system later so attractive to all Europe, and the American system finally so attractive to the world —that hope is still active in the American mind more as a norm to be remembered from the past than as a fire to light up the future.

In moral and political terms it has meant that the growth of private governments has made a vassal of the free individual, and that the acquisitive phase of the Puritan tradition has won out over its humanist phase. In power terms it has meant the overshadowing of political power by economic power—economic power, moreover, riveted down by the mercenaries of the press, and fortified by the immense suction force that success has for the many who hunger for it. In religious terms it has meant that the supernaturalism of the early Evangelical movements in America has been largely replaced by the supernaturalism of property and propriety, with their theogony and their demonology; and the religion of equality has been largely replaced by the fetishism of the commodity and the sanctification of the market. In psychological terms it has meant that the thrust into the unknown that once motivated those who opened the frontier has been largely replaced by the paranoid fears with which the possessors and owners of the earth face the threats of social innovation.

Thus the greatest risk that American civilization has run has been the risk of losing sight of the singleness of purpose it once owned. With a civilization, as with a person, what counts is not the wealth and power which it possesses, but rather the single animating idea which possesses

it. To be young is to be filled with the great hope, the animating will, the incorruptible dream. When a civilization loses that, it loses its youth.

But youth is never recapturable, and it is both pitiable and indecent to protract it. There comes a time when it is less important to be young than to be a whole. And whether a civilization is whole depends upon whether it has a basic congruity or a vast fault-line between its premises and its reality, its rhetoric and its logic, its promises and its fulfilments. It depends upon whether its system of social power jibes with the dreams its young people dream; upon whether its resources are fully used for its people, and its people used for the community well-being. It depends upon whether individual appetites add up to a collective will, and individual passions to a sense of society.

On this score no civilization can too long tolerate a deep cleavage between its professions and its structure of power. A civilization divided against itself cannot stand. As Nature is said to abhor a vacuum, so the nature of the social organism abhors a major blockage or obstruction. Every civilization must become organic or die.

The American civilization will somehow tend to wholeness—one way or another. The great crisis it faces is which of its two governing principles will become the major shaping one—the one that governs its political and moral expression, or the one that governs its economic power. If the latter triumphs, America could conceivably make itself whole by converting a corporate economy not only into a corporate (totalitarian) state but even into a corporate (fascist) civilization. It would not be a great civilization, and it would not last long before either *rigor mortis* set in or else it destroyed itself in a desperate bid for a single world imperium. Or America could become whole by a radical democracy which extended the basic humanism of its political and intellectual life to its economic life as well.

One or the other—but wholeness. It may be possible to have an equilibrium of world power, but not for long. It may be possible to have a "broker state," that mediates between various pressure groups. But it is impossible to have for long a broker civilization that seeks to mediate between equality and privilege, between mobility and status, between freedom and unfreedom, between creative growth and cultural death.

HOW MATURE IS THE AMERICAN ECONOMY?

By VALDEMAR CARLSON

THE DESPERATE PLIGHT beyond these shores and the relative prosperity of the United States at the present time is causing some moralists to decry American well-being as inimical to the rest of the world. Whatever belt-tightening is necessary for the immediate future to provide food for the starving, homes for the homeless, and tools for the workmen, it is only the fuzziest kind of economic thinking which would justify a low standard of living in the United States as a means of contributing to long-run prosperity elsewhere. Undoubtedly there is much envy of America in other less prosperous countries, but thinking foreigners who are able to project their problems beyond the pressing needs of the moment do not object to American prosperity. What they are worried about is the imminence of an American depression. Especially is that true for Britain which because of close commercial ties, cemented by the Anglo-American loan, is bound hand and foot to the American economy. Should America suffer a depression we are almost certain to pull the British economy with us. During the war an Englishman expressed himself as follows concerning the postwar policy of the United States:

> I don't care what you do in America after the war—high tariffs or low tariffs, much international trade or little—so long as you do one thing. So long as you keep prosperous. If you slide into deep depression, not only will you go down, but you will drag the whole world with you.

The world at any rate has already experienced how an American depression can pull it down to the brink of disaster. For the depression of the 1930's had world-wide repercussions and more than anything else can be held responsible for the resurgence of nationalism in Germany and the weak-kneed behavior of the democracies in the face of the fascist threat. Not that America should be held solely responsible for the unprecedented decline of the 1930's. We live in an interdependent world and America is only one unit in a world economy. But America is probably the kingpin in this world and decisions made here in the 1920's

brought on the depression of the '30's which had world-wide repercussions. Hence America cannot shun responsibility for the catastrophe of the fascist and totalitarian regimes and the holocaust which followed.

We all look anxiously to the councils of foreign ministers and the United Nations for some sign that permanent world peace is more than a mirage. However important the right kind of international agreements are, they cannot give us peace unless they operate in an economically stable world. But a stable world cannot be established so long as we have a "boom and bust" economy in the United States.

II

In appraising the probable behavior of Americans in dealing with their postwar economic problems there are two conditioning factors which must be taken into account. One is the depression and subsequent recovery of the 1930's; the other, the full employment of the war effort. We live in the memory of these two experiences. What childhood and youthful experiences are to the adult, these two events will be in the years ahead to the collective whole which is America. It is clear that the recovery which we experienced in the 1930's was a government-sponsored recovery and the phenomenal productive output of the United States during the war was government-planned-and-directed. In spite of the clear evidence of the contribution of the government in achieving recovery from the depression and in directing our mammoth war production, in recent months we have seen an apparently successful resurgence of capitalist apologetics with its accompanying denunciation of government interference in the economic process. Although it is perfectly clear to the discerning observer that our system of "free private enterprise" was put into cold storage during the war, we are now being told by all the agencies of public enlightenment that it was American free private enterprise which won the war. The failure of liberals successfully to combat this propaganda of organized business is due to something more fundamental than a lack of informational outlets.

The experiences of the New Deal recovery and of the government-planned war economy have not given us a theory of economic control in which the postwar policy can orient itself. Under the impact of what is known as Keynesian economics a theoretical formulation is gradually being hammered out but it is hampered by a faulty concept of technology

which developed during the early days of the New Deal. This is the concept of the mature economy.

Perhaps this theory developed because the New Deal recovery was such a hit-and-miss, a trial-and-error sort of policy. The men who advised Roosevelt were, of course, not without theoretical preconceptions, but there was no well articulated theory which accounted for the developments which took place. The trial-and-error kind of approach to the economic problems of the depression is clearly evident when we realize that during the campaign of 1932 the New Deal did not signify a spending and deficit-financing program, but a budget-balancing policy. In fact Roosevelt criticized Hoover for failing to balance the budget and promised to turn the trick when he became President. It is fortunate that Roosevelt had a flexible mind and adjusted his policies to the exigencies of the situation.

There was much in the New Deal which we must recognize as a struggle for power on the part of economically disfranchised classes; laborers and farmers did gain something as is most clearly evident in the AAA and the Wagner Labor Relations Act. Politically there was some shift of power. How permanent it will prove to be only time will tell. But in the economic arena expediency determined action and no theory justifying government expenditures or interference in the economic process challenged the faith in the ultimate validity of a market-controlled economy.

The homely concept of pump-priming used to justify government expenditures brings out in bold relief the conservative bias of the early New Deal. According to the spending theory then current, the economic pump, which equated production and consumption through the operation of the price system and market processes, had run dry. To bring it back to full working order government expenditures would have to be undertaken. Then like the old-fashioned pump, which will respond to pouring in of water and will continue yielding water indefinitely, so our economic system would respond to government spending, and when a condition of full employment had been attained it could be expected to continue indefinitely.

The concept of pump-priming not only illustrates the rural tradition in American thought but an extraordinary naiveté about economic relationships. It further shows the degree of intimidation exercised over men's

minds by the classical theory of automatic control through market processes if such a weak-kneed theory had to be propounded to justify the spending program of the federal government. At any rate, following the severe decline which the American economy experienced in 1937 and 1938, sometimes referred to by New Deal apologists as a recession, the concept of pump-priming became utterly discredited. In its stead there came into vogue the Keynesian theory of compensatory spending. This theory accepts a chronic deficiency in purchasing power which must be offset by fiscal policy.

Whatever fiscal policy was attempted during the 1930's—deficit spending, taxation of high incomes and estates, or of undistributed corporate earnings—it was justified because of the assumed existence of a mature economy. To the query of the businessman who wanted to know why we could not recover from this depression as we had from all others, the glib answer was made that conditions now are not the same. The term "mature economy" became the shorthand symbol for "things are now different." It should be noted that the use of the term "mature economy" was an afterthought; it was not used in the early days of the New Deal. The principle was fully developed in a little volume entitled *An Economic Program for American Democracy* by seven Harvard and Tufts economists. This book was published in 1938 and written in the context of the "Roosevelt recession" of 1937 and 1938. It was both a defense of fiscal measures already undertaken and a manifesto for bolder government measures in coping with the depression which had engulfed the New Deal in midstream. The authors based their belief in the essential change of the economy upon two facts: (1) the disappearance of the frontier, (2) the decline in the rate of population growth. Because of these two conditions, it was said, American prosperity must rely in the future upon intensive rather than extensive expansion.

The investigations of the Congressional Temporary National Economic Committee, which held hearings and sponsored monographs between 1939 and 1941, followed pretty generally the context of the mature economy in its publications. The hearings indicated that corporations were able to finance themselves without the aid of the capital market. Some of the large corporations testified through their representatives that they had expanded and would be able to expand in the future with little aid from the capital market. For instance, Owen D. Young

testified "that from 1921 to 1939, the General Electric Company did not spend as much for plant and equipment as was accumulated in depreciation reserves." Alfred P. Sloan of General Motors testified that "in the eighteen-year period there had been substantially no outside financing." Similar positions were taken by other executives of large corporations. The evidence gave hostage to the inference that only through government action could investment outlets for large savings be made available.

It is, however, in the writings of Alvin Hansen, sometimes called the American Keynes, that the concept of the mature economy is most explicitly presented. Hansen justifies active government intervention in the economic process on the ground that the expansive potentialities of the American economy are now less than they were before 1930. He maintains that the constituent elements in economic progress are (1) inventions, (2) discovery and development of new territory, (3) growth of population. Hansen, like the seven Harvard and Tufts economists, sees the end of an era of extensive expansion through private investment. Private enterprise, according to this fiscal expert, cannot alone provide sufficient outlets for all the available savings; hence the government must enter the investment and spending field if we are to enjoy the blessings of full employment.

The New Deal in effecting social change aroused the opposition of all those who fear any change; in bringing about a shift of power it aroused the antagonism of those whose power had been curtailed. Whether a moral defense of the "sound and tested" or a desire to defend vested interests constituted the basis of New Deal opposition, the reforms of the 1930's certainly did not go unchallenged. Most of the criticisms have been merely emotional verbiage such as the attempt to defend the old gold standard and the alleged rights of the rugged individual in the face of a universal demand for security. But the attack on reforms that were based upon the thesis that we had reached a stage of maturity in our economic development has proved to be a powerful weapon in the hands of conservatives who wish to undermine the theoretical base of the New Deal reforms and to prevent any extension of government participation in economic affairs.

III

It is unfortunate that none of the New Dealers took the time and effort to work out the theoretical preconceptions upon which they worked.

A few, such as Raymond Moley, who had earlier sought to express the relationships of government and business, became the syndicated writers for a press which welcomed the fulminations of "converted bureaucrats." Others became the consultants of private business which could afford to pay well for the knowledge and the entrees to Washington which important ex-officials could bring with them. Still others felt that a job had been done and retired to the Olympian aloofness of university teaching or private law practice.

Meanwhile the territory of the stagnationist and mature-economy school of thought has become the happy hunting grounds of the defenders of private enterprise. One of the most able defenders of business, Eric Johnston, has been striking some telling blows at the concept of a stagnationist and mature economy. In his pep talk to American business, a book called *America Unlimited,* Johnston takes issue with the notion of a mature economy. In his chapter on "Frontiers of Expansion" he maintains that the frontier is important in making American character and institutions but insists that it had little bearing on the American economy. There is nothing, according to Johnston, that was found in the frontier of fifty or a hundred years ago which from the economic standpoint is not still there:

> The thing that made the frontier important in its day was the vast stretches of cheap land and undeveloped natural resources beyond the line. But these stretches are still there! The undeveloped resources are still there!

He then paints in glowing colors the frontiers of science and invention, even the promise of atomic energy. These resources are of course to be developed by business and the fruits to be widely scattered among all the population. It is a thesis which has been the tradition of business apologists from the time of J. B. Say to Carl Snyder. According to those who believe in "capitalism the creator" technological developments wait upon the capital and the organizing genius of the businessman.

The active participation of the government in economic and business decisions during the depression of the 1930's and during the war upset the validity of classical orthodoxy that economic development depends upon the contribution of capitalists and the action of private entrepreneurs. But due to the inadequacy of the theoretical defense of government participation in economic affairs the resurgence of capitalist apologetics has had no satisfactory theoretical opposition. Faith in the god of

private enterprise has been sustained through exorcising the devil of a stagnating economy.

George Terborgh, economist for the Machinery and Allied Products Institute, carries the exorcism to its logical end in his book, *The Bogey of Economic Maturity*. Terborgh has written a carefully documented book although it has many of the earmarks of a propaganda pamphlet. He attempts to demonstrate that there is no correlation between industrial production, real income per capita, and the growth in population. That is true, he maintains, for different periods in the United States; it is true for other countries. Obviously a country with a growing population can be expected to have an absolute increase in production because there are more people to house, clothe, and feed. But, says Terborgh, "there is no evidence that countries with high rates of population growth have had in general any more rapid rise in their per capita production than others with slow population growth."

Terborgh argues further that the passing of the frontier can have had little effect on the economy. For, the physical frontier passed in 1890, but according to the stagnationist school did not begin having any effect until 1930. The importance of the frontier, Terborgh asserts, has been greatly exaggerated. "In the period 1870-90, for example, it is doubtful if the frontier absorbed more than 10 per cent of the national population growth. No wonder its 'passing' had so little visible effect on the American economy."

Alain Hansen and other protagonists of the mature economy theory postulate their belief in the existence of a new kind of economy on the dearth of new industries. But there is nothing spectacular about great new industries, asserts Terborgh, in furnishing an outlet for new investments. Railroads and the electrical industry have not contributed any disproportionate amount to capital formation. He denies the importance of any spectacular new industry as an outlet for investment and as a means of furnishing employment. "There is no evidence that one 'great new industry' is any more dynamic in its impact on capital formation than ten small new industries," he concludes from the considerable and pretty convincing data he has accumulated. He is particularly critical of the TNEC in finding that corporations now can maintain themselves by internal financing. The corporations were selected with that in mind, he asserts. If a broader group of corporations is included the thesis that

internal financing will sustain the expanding needs of corporations is undermined. Considering all corporations, Terborgh found a "lack of evidence of any trend toward an *increase* in corporate self-sufficiency." Further, he points out that only a fraction of the savings of individuals go to incorporated business anyway; a much larger portion goes to finance the capital formation of unincorporated business and to finance the purchase of durable consumers goods.

These seem telling blows against the concept of the mature economy. Undoubtedly Terborgh minimizes the importance of new, large industries in providing investment and employment, but in general he is on pretty sound ground in his denunciation of the stagnationist position. Let us grant him the victory in this bout. Does he by the same token achieve adequate defense of the system of economic controls and distribution of power known as capitalism? We have been living under conditions of underemployment, with the exception of full-scale wars and their aftermath, for several decades. Furthermore, capitalism as we know it has been highly unstable and has been subjected to periodic booms and depressions. Individual insecurity develops as a consequence and probably accounts for the willingness of people to listen to the blandishments of a Gerald L. K. Smith, of neomedievalism or the chiliastic promises of evangelistic charlatans.

Terborgh, Johnston, and others who have come to the defense of business enterprise have not given us an answer to the universal demand of society at the present time—security. They have heartened the souls of businessmen who, under the impact of a government-sponsored recovery and of wartime controls, had lost faith in their own ability to control and direct the economic system by their individual decisions. In effect, they have been telling the sick patient, capitalism, that by shooting and maiming the doctor he would be cured of his ills. It may be, however, that the doctor (fiscal policy) is prescribing the right treatment for the wrong reasons.

By the term maturity Hansen wished to convey a notion that our economy had reached the end of its dynamic growth. But the connotations of the term seem like a flirtation with Spengler. Inferentially, readers will make comparison with the human organism. Maturity follows youth and senility must inevitably follow maturity. So the outlook for America suffering under an ailment known as a mature economy is gloomy indeed.

And with the temper of Americans never to sell the United States short, Johnston has found ready acceptance to his faith in an ever expanding America.

The notion that our economy has reached a state of maturity is not confined to a group of New Deal economists. It is a widely held theory and probably has its origin in a concept of American history and specifically from Turner's account of the frontier. The concept, however, suffers from some fuzzy thinking. If it is examined against the backdrop of Veblen's distinction between the industrial arts and institutions, the nature of Hansen's error will be clearly seen. Perhaps one can speak of a mature capitalism and by such connote that the institution of a free market and all the other appurtenances of capitalism are no longer virile enough to control our dynamic technology. Hansen and others of the stagnationist school, however, make no such distinction, but lump institutional and technological factors together in their use of the term "mature economy."

IV

C. E. Ayres who has sought to fuse the ideas of John Dewey and Veblen into a valid theory of change has referred to institutions as ceremonial behavior. Ayres accepts the dichotomy of institutions and technology as the outstanding problem of modern society. Technology arises from the tool-using proclivities of man while institutions must adjust themselves to the imperative of the going state of the industrial arts. Capitalism is a form of ceremonial behavior which accompanies modern industry, and as such cannot be the cause of the industrial revolution. True, the ideas of the Western World were permissive to industrial growth in a way which Chinese civilization without an alphabet could not be. But it is a mistake to say that the spirit of capitalism generated modern industry. Obviously, it is highly flattering to the conceit of the businessman for him to think that he and his ilk are the causative influences of the changes effected in the industrial world.

Ayres makes institutions subservient to the demands of technology. The generally recognized realization of the necessity for institutional change arising from the discovery of atomic energy makes a statement about the subservience of institutions to technology trite. It is not trite to emphasize, however, that man as a tool-using animal is the instrument of a technological continuum. Scientific and technological progress takes

place because of the application of the tool-combination principle. Our unprecedented industrial achievement during the war was due in no small part to the fact that industrial know-how became the common property of all who produced for the war effort. The sharing of skills, patents, and knowledge, virtually demanded by the government to promote the war effort, robbed particular firms of competitive advantages. The atomic bomb, it is safe to assert, was discovered sooner because scientists of three nations pooled their knowledge to a common end. Had Russia been included in the atomic bomb research, I believe that an even earlier discovery might well have occurred. Technological change taking place because of the combination of tools should increase at a progressive rate. With more men working with more tools a progressive industrial progress can be expected to take place. Ayres suggests that technological progress might well take place on the basis of a geometric ratio. He throws out this idea only as a hypothesis for which no verification is available. But insofar as progressive technological change can take place under the most favorable of environmental conditions, it is slowed down because of the inhibiting influence of ceremonial behavior.

Productivity of American industry has increased in the last fifty years at a rate of between three and four per cent a year. Hansen predicts a slowing down of the rate of growth to about two per cent in the decades ahead, but that will be true only if institutions are permitted to hamper more in the future than they have in the past our utilization of potential technological development. On the basis of the technological theory of progressive change there is no reason to expect any decline in industrial growth. The growth, rather, should be accelerated.

The history of specific industries seems to give countenance to the principle of maturity. It has been typical of industries to experience dynamic change in their younger years and then to level out. So industries seem to go through childhood, maturity, and old age setting a pattern for the behavior of the whole economy on the principle of a mature economy. Does that mean that the tool-combination principle has run its course as an industry becomes older and further room for improvement seems impossible? Or is it due to institutional factors which limit technological development? Let us take the railroad as a typical example. And particularly that of sleeping cars operating on the railroads. Why have no basic improvements been made in Pullman cars in fifty years?

Has the apex of development in sleeping arrangements on a moving vehicle been made so that no further changes are conceivable, or can we attribute this static situation to the control of a complacent and profitable monopoly? I am inclined to attribute the lack of improvement largely to the control of monopoly. It may well be that the failure of many an old industry to develop as rapidly as it did in its youth is due to similar restrictions. Whatever the situation in particular industries may be, we should expect no slowing down in the over-all increase of productivity of the whole economic system since new and expanding industries should be more than adequate to replace technologically obsolescent ones.

The discovery of atomic energy has made Veblen's distinction between science and technology on the one hand, and institutions on the other, a clearly realized dichotomy. Scientists have plumped for world government because only through a world state can they see any hope for permanent survival of the human species, with a high civilization, on this planet. It becomes clear that some institutions must change if we are to survive with our technology. No one considers seriously the proposal that science and technology take a vacation and do so retroactively in order to avoid learning how to live with atomic energy.

If our biggest social problem in the future will be adjustment to an ever-expanding technology, it would appear that economists should devote much of their attention to a study of the adequacy of existing institutions to its demands. The neglect and, among many economists, the utter disdain for Veblen would indicate that this aspect of the subject was considered outside the scope of their professional activity. A consideration, however, of the problems with which economists busy themselves will show that implicitly, at any rate, the adequacy of institutions to the expanding technology was receiving some attention. As a concrete example, the subject of unemployment after a hundred years or more of neglect has been taken into the fold of economic orthodoxy, due in the main to the writing and influence of J. M. Keynes.

The failure of our economic system to function at its maximum capacity was the one fact which caused Keynes to develop his heretical ideas. The development of his theory of unemployment was already underway in the 1920's when England was suffering a chronic depression. His economics has emphasized unequal income distribution as the basic cause of unemployment and less than full use of resources. He and

his followers have placed main stress on the maintenance of purchasing power as a means of preventing unemployment. The wealthy few, it is obvious, can contribute relatively little to the spending stream and by refusing to invest they may dampen the operation of the whole economic process. The wide distribution of purchasing power, on the other hand, will do much to sustain a full-employment economy. The advocacy of more equal income distribution represents, however, a revolution in economic theory. For under the dispensation of the nineteenth-century classical economics inequality in the distribution of income was not only tolerated but considered positively necessary in order to provide society with the necessary capital for production. As J. S. Mill said, "every increase of capital gives, or is capable of giving, additional employment to industry; and this without assignable limit."

Not that Keynes has achieved a total victory. According to some of the die-hards of the classical tradition, the Keynesian economics is just a flash in the pan. Ludwig von Mises, as well as his fellow Austrian economist, Frederick Hayek, has been cashing in on the American businessman's fear of government. Unfortunately for Herr von Mises' royalties he did not consult an advertising expert before naming his books. If he had known more about the tastes of movie-going and book-reading America he might have subtitled one of his books, *The Road to Hell Is Paved with Incompetent Bureaucrats.* At any rate, von Mises in a pamphlet called *Planning for Freedom* says the assertion of J. M. Keynes that "In the long run we are all dead" is "the only correct declaration of the neo-British Cambridge school." In general, Keynesian economics has found an unwelcome reception among the orthodox economists of the classical tradition.

Marxists and Veblenians, on the other hand, have been able to embrace the Keynesian economics with no difficulty. I mention as prominent Marxists who are more recently Keynesians, A. P. Lerner and John Strachey. Stuart Chase and C. E. Ayres are outstanding Veblenians who have become partial to the Keynesian approach. Undoubtedly it is easy for followers of Veblen to accept the necessity for a decline in the rate of interest if not the "euthanasia of the *rentier*" because of their disdain for the institutions of capitalism. Marxists can hardly be expected to object to an economic theory which advocates more equal income distribution. With both the regard for the capitalist is slight; hence their

common willingness to follow a program which would move in the direction of reducing unequal income distribution.

The Hansen school of Keynesian economics has accepted the historical necessity of unequal income distribution for the nineteenth century when, they assert, we had a dynamic economy, but with the so-called mature economy necessitating less private investment a greatly skewed income distribution makes for unemployment and less than full use of productive equipment. While they are right as to their conclusions about a need for a change in income distribution, resting their demand for reform upon the alleged existence of a mature economy immeasurably weakens their theoretical position. The maintenance and further development of Keynesian economics in the United States will necessitate the abandonment or revision of the concept of the mature economy.

A STORY

AFTERNOON OF A PRINCIPAL

By MARK RONDY

WHEN THE NEIGHBORHOOD BOSS said he wanted to see her about "that nigger," Miss Simms examined him aloofly through her rimless spectacles. She watched him yank a seamy handkerchief from his pocket, listened to him blow his nose strongly, heard him clear his throat, saw him fumble the handkerchief out of sight—all without wincing.

"Nigger?" repeated Miss Simms distantly.

Thompson's voice, like the rest of him, was rough and rasping. Miss Simms decided she did not like it.

"Look, Miss Simms," he was saying, "you gotta get ridda that Weaver kid."

Miss Simms got to her feet at that, in her slow, dignified way. She put a thin hand on the back of her swivel chair, adjusted her spectacles slightly with the other hand, and looked calmly over the desk at her visitor. Miss Simms never permitted herself to show anger, but when she was annoyed her nose wrinkled with distaste and her spectacles slipped.

Thompson crossed his legs unhurriedly, slouched a little in his chair, and draped one arm over its back. "You let that nigger kid be captain of the Safety Patrol, and there's gonna be trouble."

Miss Simms turned away from him, and looked through the open window out into the schoolyard, where afternoon recess was at its noisy height. She went over to shut the window, as though disorder both inside and outside her office was just a little too much for her.

"News travels fast around here," she said icily, without turning back from the window. "Randy Weaver was elected only this morning."

He brushed aside her implied question with cool insolence. "I thought I better talk to you about it before you gave 'im the badge."

Miss Simms leaned closer to the window. "Oh, my!" she exclaimed. "There's Peter James Dennis fighting again!" Her nose wrinkled again to show her displeasure, and she swung around on her visitor. "Perhaps

someone has called him an Irish mick again!" She folded her arms, and glared at him pointedly.

Thompson shifted in his chair, dropping both feet to the floor and teetering back on his toes, but did not allow himself to be otherwise distracted. "Can't have niggers settin' theirselves up higher than a white man."

She forced herself not to resent his harsh, grating voice, and replied quietly, "I don't see the connection."

"Too dangerous, Miss Simms. Too many of 'em. Been in politics around here twenty years, and I know!"

"You're afraid of a colored boy's being made captain of our Safety Patrol?"

"They've got to learn to keep their place, ma'am. Can't have niggers ___"

"I know." She raised a hand to stop him. "You said that before. Do you believe in elections?"

"Not niggers!" His tone was stubborn, hard.

Miss Simms returned to her chair, and began to sort out papers on her desk. The movement helped her, somehow, to control her irritation. She spoke without looking at him, wishing he were not there.

"It was the white boys who elected Randy Weaver. They *voted* for him." Then she yielded to an overwhelming impulse, and snapped: "And for your information, Mr. Thompson, the word is Negro!"

Immediately she wished she had not said it. It was, in some subtle way, a defeat.

The man regarded her steadily through his little eyes. "I'm only here to warn you, friendly-like, ma'am."

Miss Simms stopped shifting papers around, and met his gaze levelly. As one who usually issued warnings to other people, Miss Simms definitely disliked receiving them, especially from persons like Thompson, but she merely said, "To warn me about what?"

Thompson wagged his head, his eyes never leaving her face. "Folks round here won't put up with it—a nigger bossing white kids around. I got my own kid in this school, I don't want a nigger bossing him around."

Miss Simms stared again at the papers under her hands. She felt a faint chill; and realizing she felt it, was doubly afraid. His words held

a threat that sounded organized, planned. Her head began to ache, suddenly.

"Like I'm telling you," the sandpaper voice went on, "you oughta get rid of that nigger quick."

"Why?" said Miss Simms sharply.

The man shrugged his shoulders. "You ain't gonna be very popular if you don't." He waited a moment. "I hear you're retirin' come June?"

Miss Simms let a sigh escape her lips. "Yes, I am. Forty years in the school system. What of it?"

"Only a short while to go, ain't it?"

"Two months. Why?"

"There's ways and ways of leavin'." He paused, and got up from his chair to lean over the desk. "I don't believe in violence myself, but some people're fixin' to stick up for their rights against niggers if they has to." Another pause, while astonishment and horror held Miss Simms petrified. "If there's trouble, and you get blamed for it—" He shook his head in concern, and continued, "—with you retirin' and all, it'd be a shame for anything to happen to spoil it. Like anybody wantin' to get you fired?"

The sudden loud ringing of the yard bell was like a release. The muffled shouting beyond the closed window fell to a hush. Miss Sims turned to the window again, raised it, and let in the air and the healthy sounds.

The voice behind her did not stop. "There's a little matter of your pension, too. 'Tain't worth upsettin' everything at the last minute—for a nigger."

She kept her back to him, watching the scurrying pupils and listening to Mr. Milton's voice floating in from the yard, marshalling the lines. The 8B's were moving right past her, stepping high and fine, and giggling at some gibe of Mr. Milton's. She craned her neck a little to see what Peter James Dennis was doing.

The telephone rang sharply in the outer office. Thompson put his hat on his head, and rapped the desk with his knuckles twice. "Think it over, Miss Simms," he said.

Miss Simms did not move. "Excuse me," she said. "Peter James Dennis was giving Randy Weaver a piece of his mustard pretzel. Of all things! What did you say?"

"I said — you think it over, Miss Simms!"

She saw now that he was watching her strangely from his tiny animal eyes. She thought she found in his round face something hard and beastly which must have been there for many a year. She discovered she was trembling a little, more with rage than with fear, but the trembling frightened her. She knew there was something she should be saying, some answer she should be making, but the trembling choked her throat and locked her lips.

The man swung on his heel and swaggered out through the office door. Kay Judson, the clerk, appeared in his place, leaning gracefully in the doorway. Miss Simms turned away so that the younger woman should not notice her trembling.

"How'd he find out so quick?" asked the clerk.

"I don't know," said Miss Simms wearily. "From that son of his, I suppose."

"That was the PTA president on the phone." The clerk tapped a bright red pencil against her lips, making the words jerk out oddly. "Wanted to know if you'd help get up a speakers' panel for Flag Day."

"Yes?"

"I told him you'd call him back."

Miss Simms came back to her desk. "Flag Day!" she repeated bitterly. "For white folks only?"

"I heard," said the clerk. "What do you intend to do?"

Miss Simms lifted the spectacles from her nose, and deposited them gently on the desk. She leaned back in her chair, and closed her eyes. After a minute she opened them, replaced the spectacles, and leaned forward, folding her hands primly on the smooth glass. A slight sigh was the only sign of her return to a troubling world.

"Child," she answered softly, "I wish I knew!"

Kay Judson came over to the desk, and looked down at her, thoughtfully. "I hate the idea of this Thompson person running the school the way he runs this neighborhood, but —"

Miss Simms sighed again. "I wish I knew how well he has this thing organized. He was so — so certain and cold-blooded about it."

There was a silence of several moments, until finally Miss Simms said, "Well, Kay, what do you think?"

The clerk began to tap the red pencil morosely against her lips. "What I want is to see you get some peace and quiet. You've been talking about it long enough!"

Miss Simms smiled. "The question is, how to get it."

"Miss Martha," said the other woman, "just exactly what do you think might happen if — if Randy stays captain?"

"The pattern's familiar enough, Kay. We've seen it happen before. They pick a fight, blame it on the Negroes, make us restore law and order by firing Randy Weaver." Miss Simms's nose began to wrinkle. "It means police, publicity, investigations and bloody noses — or worse."

"And you're retiring in two months!"

"I had dreams to that effect," said Miss Simms drily. "You know — sentimental farewell banquet, long hours every day of no bells, no conferences, no problems, all the time in the world for reading, writing, traveling, visiting at the farm upstate. . . ." Her voice died wearily away.

"Then don't you do it!" cried the clerk impulsively. "Miss Martha, don't you stick your neck out! There'll be a new principal here next term — let him worry about it!"

Miss Simms frowned. "Randy was elected today, not next term. Either he's captain, or he isn't."

"And what if he isn't?"

Miss Simms considered the question for a long interval, then raised her eyes to the clerk. "I'd hate to have people thinking I was afraid of Thompson's influence —"

Kay broke in warmly. "Don't be silly, Miss Martha! Nobody in the world could blame you for avoiding trouble. Why, it's your last two months! It isn't fair to expect you to do anything else."

Miss Simms nodded unhappily. "It's no good either way."

"Well," said the clerk, turning away, "I guess I can't help you much, Miss Martha. Except back you up — either way."

The girl plumped herself down at her own desk and began to bang away at her typewriter. Miss Simms frowned affectionately, but she felt too tired to get up and shut the door.

Through the open window drifted the sound of singing from an upstairs room — that would be the 7B's — and Miss Simms's face relaxed, became its usual gentle self. She half-heard Miss Jacoby's voice floating down in rebuke after the singing stopped. She sat perfectly still

in her chair, like an old worn-out crone, she thought, sitting the hours away alone and unnoticed until the final moment. Half of her ached passionately to strike back at Thompson. The trouble was the other half was so tired. Her head had stopped aching, though.

The typing in the outer office stopped for a while, then set up its furious click-clacking once more, and Miss Simms went to the doorway and carefully pulled the door closed.

Her office felt peaceful and quiet at last, with the typing shut out. Miss Simms lowered herself into a chair, and pulled out a drawer. She fingered the bronze badge lying there, but its cold edges gave little comfort. It belonged to Randy Weaver, and she ought to send for him and pin it on him in time for dismissal.

Miss Simms ruffled the calendar lying on her desk, then glanced up at the wall clock. Perhaps if she let the badge go till tomorrow, she could think it over, find a way out. She could send for Randy first thing in the morning just as well, if that was the best thing to do. Miss Simms watched the clock hands move like living pointers to the day's end.

The Patrol Bell came short and sharp, like a stab in her heart. Through her window she could see the Patrol boys running out into the yard, tossing books alongside the school wall, lining up for roll call, falling out to their posts.

Then the Final Bell rang, and the day was over at last. She'd be home in an hour, in absolute peace and quiet until tomorrow. She waited at the window, calm and collected, deliberately holding her thoughts to nothing, while murmurings filled the hall, steps pounded the stairs, running figures filled the yard and overflowed out of it.

Then it happened, suddenly, devastatingly — a kind of wild screaming from the street. Kay Jordan broke in and rushed to the window, leaning out beside Miss Simms. There was tumult and confusion around the corner of the building, children ran back and forth in the yard, a red police car flashed along the street.

The clerk turned and raced from the room. Miss Simms started after her, but halted abruptly, and seated herself slowly in her chair. Her head began to ache and throb again.

After a time she heard steps and voices. Then they came in, all of them, Kay, Randy Weaver, Peter James Dennis, a tall policeman, who shut the office door on other curious faces beyond. Randy and Peter James

stood before her desk, their clothes torn, their faces scratched, their noses bleeding, their mouths tight with anger. A strange pair, she thought — the red-head, freckle-faced, slim and swift like a streak of light, and the big black rock of a boy, straight and tall.

Kay Jordan silently unpacked the first-aid kit, and began to doctor their faces and necks.

The policeman, towering over the room, scratched his head. "Quite a rumpus, Miss," he said heartily, as though he had enjoyed it. "These fellows, they was the ringleaders."

"Ringleaders," echoed Miss Simms woodenly, watching him extract pencil and paper from his hat.

"Another boy in it," added the officer. "He got away. Some of the kids say his name was — lemme see, Thompson? Couldn't be the same Thom —" He stopped abruptly.

Miss Simms asked mechanically. "What happened, Randy?"

The boy shook his big head stubbornly under the clerk's hand, and pressed his lips tightly together. His eyes were staring into space, and he stood stiff and rigid as a board. Miss Simms turned to Peter James, her eyebrows raised in question.

Peter James, twisting one foot on the rug, answered her look hoarsely. "There was a gang out there, layin' for him." He gestured toward Randy. "The other colored kids, they pitched in. Then all us white kids got into it." He paused to stare defiance. "We woulda beat the daylights outa them if the cops hadn't butted in!"

Kay Jordan's hand stopped halfway to the basin of water. Miss Simms asked quietly, "Which side were you on, Peter James?"

The boy threw his head back. "Whaddya mean, which side? We elected him captain, didn't we?"

Miss Simms forced herself up and around to the front of the desk. She spoke without emphasis, as though repeating news which had just arrived. "You helped Randy."

Peter James said, "Sure I did." He returned her gaze coolly. "Whadja expect?"

The policeman scratched his head again, and cleared his throat, but Miss Simms waved a restraining hand. There was a long silence. Randy had not lifted his head. The clerk still held the water basin, the policeman

still scratched his head, and Miss Simms still faced Peter James blankly. She tried to brush away her headache with an unsteady hand.

The officer spoke first. "Excuse me for interrupting, Miss, but this thing should be settled. Do you wanta prefer any charges, or will you handle it yourself?"

Miss Simms looked over toward Kay Judson. It was plain as day what the clerk was thinking. Peter James had given the answer she had not known how to give. He had made the decision she had put off. It was plain as day what his answer meant. It meant heat and excitement, disorder and terror, and the end of peace and quiet.

Miss Simms reached over her desk and pulled the captain's badge out of the drawer.

"I'll handle it myself," she said quietly to the police officer. "Thanks very much, and —" she smiled sardonically at Kay Judson, "— and we'll call on you again if we need you."

Then she went over to Randy Weaver and pinned the badge on his torn shirt.

THE WAR AND THE VISUAL ARTS

By KATHARINE KUH

It is March, 1946, and New York's Fifty-seventh Street, art mecca of the Western World, is bathed in the golden light of an early spring. I am recalling a Saturday afternoon, typical of many others, when the two blocks between Fifth and Park Avenues were crowded with eager art lookers: artists with their glamorous long-haired girls, well-dressed New Yorkers, visitors from all parts of the country, sophisticated European cosmopolites. Ubiquitous galleries, showing a substantial numerical increase over prewar years, dominate both sides of the street where a visitor can often find three or more competing in the same building. Exhibitions are enormously varied: moderns, conservatives, old masters, sculpture, paintings, prints; American, European, group, and one-man shows are all available. The dealers admit that business is booming as it has been during most of the recent war years. With prices high, particularly in the case of nineteenth-century French paintings and of old masters, American art has also come into its own. Many galleries are devoted exclusively to native painting, though the dreary regionalism of a slightly earlier period is fortunately on the wane. From this welter of prosperity one irrevocable fact is indelibly impressed on the most casual observer: New York has replaced Paris as the art center and the art market of the world.

The geographic shift was inevitable after the complete isolation of Paris by the Germans, but it is also true that even before the outbreak of hostilities, Fifty-seventh Street was shaping itself into a mighty rival. Since the termination of World War I, New York gradually became the market for Western art, though not necessarily the milieu for its production. France, with her so-called School of Paris, and Germany before the advent of Hitler were both focal points for creative modern art movements. But the big art money, long before World War II, was in America. Paris galleries, many of which were world-famous, sold their rarest items to American dealers, American museums, and particularly to American

collectors. With contacts already established it was not too difficult for the owners of these same galleries to move their establishments bodily to Fifty-seventh Street and thus avoid war and possible destruction.

Not only did the dealers move—so also did many of the most important living European artists. Léger, Chagall, Mondrian, Tanguy, Dali, Max Ernst are but a few of the better known painters who fled from Nazi Europe and settled in this country. Many of them will of course return to their homelands (as already several including Léger and Hélion have), but they have left their mark, good or bad, on the American art scene. Not only has their work been shown in ever-increasing numbers in New York and throughout the entire country, but they as a group have mingled with their American colleagues exchanging ideas, quarreling, comparing notes, and in one way or another causing slight ripples in the airtight smugness of American realism.

One wonders what will be the ultimate outcome of substituting New York for Paris as the world's art center. Will European moderns still continue to dominate the international art movements as has been the case with leaders such as Picasso, Brancusi, Léger, Mondrian, Miro, and even Dali, or have these men said their complete say and are we due a new voice and a new vocabulary? If so, there is at the present time no indication of this coming change. American art, in this period immediately after the close of the world's greatest conflagration, shows little or no direct impact from the war. Strangely enough, on that typical March Saturday I mentioned above, there was no war art per se to be found on Fifty-seventh Street with the possible exception of a few desultory water color sketches and drawings of a sporadic reportorial nature. The blistering fury, the frustrations and disillusionment which are the logical outcome of any war experience have as yet apparently not been fully registered or translated into plastic terms by the artists of our time. Perhaps they are still stunned; perhaps the work is being produced but not exhibited; perhaps it is too soon to hope for a mature visual expression from this war.

One cannot say that the popular war records in the form of illustrations for *Life* magazine, for various branches of the Armed Services, and for occasional industrial organizations such as Abbott Laboratories, constitute a war art of serious stature. It is unfortunate but not surprising that the slick-paper magazines specialized heavily all during the war in

a patriotic type of bastard art which should have been labeled news illustration. The museums of the country, large and small, jumped on the nationalistic band wagon and exhibited these collections, many of which were composed chiefly of paintings competently factual but largely lacking in quality, imagination, or intensity.

High taxes were an outcome of the war which indirectly influenced American art. Industry discovered that commissioned paintings of a noncontroversial type might lead to better public relations and more institutional good-will than an ordinary advertising program. Also and not to be overlooked were the elaborate cocktail parties, dinners, and receptions, celebrating the various openings and previews, which could be charged off to business expenses rather than to taxes. This type of patronage obviously does little to encourage an art of large dimensions. Slogans and their visual counterparts take precedence over more deeply felt experimental art, for the latter is apt to be compulsive rather than commissioned. Literal representations of battle scenes with correct flora and fauna, showing a detailed understanding of army manuals, are not necessarily prerequisites for powerful interpretations of global war. The complete and drenching horror, the sadism, and the utter waste demand new visual symbols, which possibly Picasso came close to approximating in his frightening mural *Guernica.*

However, the co-ordination of big business and the so-called fine arts may have an interesting aftermath. Now that the war is over, industry has not dropped its number-one public relations asset. In many instances big business is still using and backing American art, as in the case of the Pepsi-Cola Company, the Encyclopaedia Britannica, the Upjohn Company, to mention but a few. There is no doubt that grave errors have been made, but I am convinced that though industry and business are mainly concerned with profits, still in many cases serious effort was spent in bringing to the public paintings of superior quality. That these programs have too frequently not succeeded is due chiefly to personnel difficulties where large organizations have entrusted their art promotions to well-meaning but unenlightened staffs. So far as I know only one important business, Container Corporation of America, has consistently followed a broad, well-organized art program, co-ordinated in every way. This corporation, realizing that art is not necessarily American, French, Polish—in a word national—draws from any country and any artist so

long as the quality is high and contemporaneous. Optimistic signs are in the air; the Pepsi-Cola Company, with the war over only a few months, announced recently a promising new policy, eliminating the unpleasantly obvious exhibition title, "Portrait of America," and substituting the name, "Paintings of the Year." Equally encouraging is the fact that an ex-museum director has been placed at the head of their annual competition, assuring at least experienced direction. We can only hope that future years will prove American business to be an art patron of intelligence and discrimination as was so eminently true of the powerful Renaissance families.

As a matter of historical fact, World War I also caused comparatively little creative work in American art, but the story was different in Europe. Long before the cessation of hostilities the German artists, Otto Dix and George Grosz, were spitting forth vicious powerful drawings attacking the current decadence in their country. A portfolio of etchings, *Der Krieg,* by Dix ranks with Goya's *Disasters of War* as one of history's great war indictments, and once seen is rarely forgotten. This is not to say that violent propaganda is the sole basis for a mature war art. Perhaps I am asking too much, but I still hope that the deep suffering and profound emotions resulting from war will some day produce a new plastic vocabulary which does not necessarily express only mass propagandized sentiments. Some visual reactions, too personal to be quickly understood by the public, should emerge from this war. Such paintings will not have the stylish realism or the self-conscious symbolism so popular on Fifty-seventh Street today. They will not be painted in a neat little series which can be exhibited under a pat label and later reproduced in *Life* magazine. They will be so deeply felt that their anguish will penetrate the onlooker and will antagonize, even frighten, popular periodicals.

Before the first war was over, its stench and failure were echoed repeatedly in that most nihilistic of all European art movements, Dadaism. The young artists, mainly German and French, who lived and fought through the long hopeless years reacted logically when they produced Dadaist compositions negating everything which they had formerly held sacred: religion, the home, government, love, art. To them the only possible escape from their suffocating disillusionment was intense negation. From Dadaism the step to Surrealism was inevitable, for Dadaism was

the true parent of this far more popular school of painting. While the Dadaist rejected life, the Surrealist, on the other hand, escaped from life by creating a reality which he claimed was greater than the recognized reality of daily life. The Surrealist chose to escape through the exquisite private emotions of the subconscious and dream world; at least that was the original concept. Now Surrealism has been watered down to either a set academic formula or overwhimsical fantasies.

One might well ask whether, if given time, this last war will not also stimulate similar revolutions in the art world. Here in the United States certain symptoms, not of revolution but of reaction, were evident during the recent war years. Nationalism was not restricted to politics and dinner parties; it flourished with equal enthusiasm in the arts. It is only fair, however, to point out that this trend appeared much earlier than the war, though it reached a crescendo in those years. Because the United States was temporarily cut off from European studios, and because indigenous subjects were much in demand, native American art came in for a tremendous boom. The American Scene, state by state from coast to coast, captured the public imagination and at the same time reassured as it retarded public taste. Art became a soothing syrup, a matter to be grasped in a split second by the least informed eyes. If its subject was America then the painting was assured success. Little Fords running uphill, filling stations (until gas rationing came), farm houses of the Middle West, witty southern scenes with tender humorous Negroes—these were the backbone of the American Scene. There were, of course, those who questioned a native art which grew so glibly from surface surroundings.

However, one very interesting tendency, resulting from the war's insistence on nationalism, was the rediscovery by Americans of their own art roots. Exhibitions of nineteenth-century and earlier American art flooded the museums and galleries of the country, introducing in some cases and evaluating in others the work of Bellows, Eakins, Ryder, and the Hudson River painters. For the first time American artists had an exhaustive opportunity to study their own beginnings, to see how and why realism had developed as a major native trend, a realism usually tempered by unexpected romanticism. The temptation during the war was to overrate the importance of our native roots, and to forget that, basically, American art has always drawn deeply from European sources. But there is no doubt that the many exhibitions tracing the history of art

in the United States have proved helpful in establishing a long-range understanding of the problems, lacks, and strength inherent in present-day American painting.

Then gradually during the last two war years American realism was replaced by a romantic, a nostalgic trend in painting, which recorded wishful dreams rather than documentary facts. Though these were war years, American art showed only indirectly the impact of great conflict by an almost compulsive escape into fantasy. In fact, it was at this time that the so-called Fantasist School, now flourishing in New York, was launched. The Museum of Modern Art in 1943, with a timely exhibition entitled "Romantic Painting in America," recognized the strength and meaning of this country's swerve toward Romanticism. In certain cases, as the Romantic painters tried to escape from the horrors of war, paradoxically they used war symbols as the *raison d'etre* for their work. Fantastic knights emerging from their medieval prototypes (witness the work of Kurt Seligmann and Felix Ruvolo), air-raid shelters harboring forms from a Pre-Columbian world (see sketches by the English sculptor, Henry Moore); these are but samples of the subconscious and conscious use of militaristic symbols disguised in Romantic settings. Inasmuch as American art from Benjamin West to the present day has always been interwoven with Romanticism, it is not surprising that during the war years this form of escape took added life. At the large annual exhibitions, competitive and invited, where one can always see a relatively fair cross-section of current American art, lyrical fantasy was in the ascendance. Subjects related to war and horror were conspicuously absent; in their place were scenes nostalgic of a lost world at peace or an imaginary gentle dream world totally in contrast to the destructive Dadaism of the last war.

As Romanticism was strengthened by the war, so also was a very different art form, a school of American cartooning. Steig, Mauldin, Steinberg (in England, Low) produced an authentic graphic voice emerging from the world conflict. Steig pictured the bewildered civilian, while the others, as they denuded war of its glory, at the same time developed a personal style which often surpassed that of the more orthodox gallery and museum paintings. Their witty shorthand techniques did not for one moment hide the virulence of their indictments. But even at best these men made no pretense at art with a capital A; their

job was to tell a story graphically and this they did without compromise.

Up to now the cartoonists have made more of the war than the young painters, who to date have brought forth no finished work of importance. Yet, given sensitivity, the painters have at least brought back memories of terrible import. Within the next few years we have reason to hope that American art will show the result of their experiences, even though as yet there are no advance symptoms of promise. Many artists who did not go to war were almost equally dislocated by war jobs. The other day, when in conversation with a gifted young artist who had been a riveter during the war, I asked if he felt that his painting had suffered as a result, he answered, "I haven't changed consciously; things have happened to me, and completely altered my work." Incidentally his work has become more abstract, larger, more positive, though all this cannot necessarily be attributed to a riveting job. Even so, the years of mingling in work and war with fellow citizens were in no sense a total waste for the majority of artists, who in the process either consciously or intuitively learned much about their own surroundings. Possibly in future years, after the necessary gestation period, American art will show its new heritage. In any case, it is reassuring to know that artists as a group have taken their place in a democratic society not only as workers and fighters but also as a voice in liberal political organizations. This does not mean that these same men must limit their art vocabulary to current political and economic problems; quite the contrary, the fact that they are in reality a vocal part of present-day society frees them to be complete individualists (if they so wish) in their work.

Other less intangible results are already making themselves felt as an outcome of highly scientific warfare. In the first place, by the general acceptance and use of aviation, which was greatly speeded up during the war, a new kind of perspective is appearing in painting. Heretofore perspective has been a matter of looking across a landscape; now our eyes are becoming accustomed to looking down on a landscape. The artist, conceiving of nature and man as dwarfed by altitude and speed, begins to think in aerial terms, and in so doing creates a new mechanized perspective, more important than might appear at first glance, because through it the possibilities of distance are given an added dimension.

Likewise, the war has geared up scientific developments to such a degree that easel painting may well seem obsolete. In a world of atomic

energy, of steel and glass construction, where plastics are a commonplace, the use of small framed easel paintings as decoration on modern walls may soon give way to other forms of art better adapted to the new problems of postwar living. The fact that Americans constitute a mobile population, moving from house to house and apartment to apartment with speed and ease, makes necessary the elimination of surplus household possessions. In the old days scarcely a generation ago, a family remained put as a rule for many years, paintings, furniture, and sculpture (if any) constituting a permanent part of a static home; but now with enormous housing dislocations, directly due to the war, families are constantly on the move, not only from house to house but from city to city. The problem of shipping and, at the same time, protecting easel paintings is a serious one, only superseded by the difficulty and expense of packing and transporting heavy sculpture. Possibly this is why new and lighter materials are becoming more widely used in the production of sculpture; stone and bronze being replaced by plastics and by lighter though equally durable metals such as aluminum. Needless to say, I am not foreseeing an immediate elimination of all framed easel paintings, but we must remember that this type of wall decoration is relatively young in the history of art, having evolved only in the Renaissance. Before then, architectural construction and the general tenor of life precluded a need for easel paintings. Possibly in similar vein we are approaching an era when our way of life and our architecture are no longed adaptable to art forms of the immediate past. One wonders whether television or related scientific discoveries may not soon replace the framed picture as an adjunct to our restless lives.

But enough of these fabulous and frightening dreams! Let me return to some of the less visionary outgrowths of our war years. There are certain simple facts—so simple and obvious that I have neglected to mention them—but they are nonetheless encouraging for the future of American art. Thousands of men have been exposed for the first time, through travel provided by the Army and Navy, to new visual experiences, and having come to know something about other parts of the world, may be expected to use these wider horizons as a basis for greater discrimination. We have reason to hope that art will acquire a better educated public than before the war. With their uniforms as admission cards, these young men have not only seen other lands, but many of them have

heard their first concert, seen their first play, visited their first museum. The Art Institute of Chicago, at the height of the war, calculated that approximately ten per cent of its attendance was drawn from the Armed Forces, a figure totalling over one hundred thousand men annually, many of whom were for the first time putting foot in a museum. Likewise the Chicago Natural History Museum reports that servicemen poured into its South Pacific sections, men who formerly had probably known little or nothing about the existence of Melanesian and Polynesian art. Add to this the vastly enlarged educational opportunities open to the veteran through the G. I. Bill of Rights, and we are justified in our optimism.

The enrollment in art schools throughout the country is today on an unparalleled scale, not necessarily assuring a large group of proficient professional artists, but at least providing a future potentially larger and better informed art public. By doing and learning himself, the layman discovers much about the technical problems of various art media, and accordingly becomes a part of a more understanding and sympathetic audience. Particularly interesting are statistical figures, released by several of the larger art schools, indicating that the majority of veterans are enrolling in commercial art courses rather than in classes devoted to the fine arts. One of the biggest art schools in the country reports that more than ninety per cent of the returning veterans are studying commercial art, chiefly advertising and three-dimensional design. The latter, of course, includes product, furniture, automobile, and airplane design, as well as various forms of architectural design. Advertising and typographical design has always constituted a rich field in American commercial art, but now it gives promise of becoming a major industry along with photography. All of this seems eminently encouraging to me, in view of the fact that Americans have never been leaders in the fine arts, such as painting and sculpture. On the other hand, we have been pioneers in architecture (only a brief acknowledgment of Chicago's Louis Sullivan and Frank Lloyd Wright proves this), also pioneers in engineering construction (note our bridges and dams). Americans are happily endowed with both the machinery and mental equipment to lead the world in various forms of commercial art, if we but train our rich raw material. With the G. I. Bill of Rights this is made possible, and we are not neces-

sarily overoptimistic in looking forward to a healthy American renaissance in product, advertising, and even pattern design.

Now that the war has developed incredible new engineering and scientific resources, commercial art in America boasts untold possibilities when augmented by a large group of well trained veterans. As a result of this happy combination, can we expect better, less expensive, and more beautiful manufactured objects for the average American home? Can we demand finer, more interesting printing and advertising in our popular periodicals and newspapers? Can we, or shall I say dare we, hope for a higher standard of visual beauty in our daily surroundings? At least we can take pleasure in the fact that those aesthetic improvements, which may appear as a result of this war, will probably be available not just to privileged citizens but more likely to the bulk of a population already accustomed to better designed products due to increased purchasing power during the war.

For a number of years, a few lonely voices in this country have advocated the expansion of visual techniques as an adjunct to both elementary and advanced education, but it was not until World War II that this field was intensively explored and exploited. With great acumen, the Armed Forces early realized that written instructions carry more weight when accompanied by illustrative material. They found that men who in an emergency could not remember the written word were better able to recall a pictorial image. Both the Army and the Navy considered visual aids invaluable for imparting certain types of essential information to untrained and trained personnel. Artists experienced in the use of color, psychologically and aesthetically, were particularly adept in the development of these visual programs. A large corps of highly trained professionals, working for the Navy, turned out amazingly competent and excellent educational posters which explained equipment, machinery, and operations by means of diagrams, photographs, blow-ups, and an occasional concise and pointed caption. Of extreme interest to the art student is the fact that these posters, in order to teach quickly and efficiently, were greatly simplified and in some cases even abstracted. Arrows, bold colors, asymmetrical arrangements, linear directives of all kinds plus an intelligent use of rest space made the layouts not only educational but beautiful. Though they were planned exclusively for Navy consumption,

various American museums were so impressed by their excellence that in certain cases the charts and pamphlets were exhibited publicly.

The Air Force also used all manner of visual techniques to reinforce the written and the spoken word, borrowing from cartoon strips, from abbreviated line drawings, and from the more conventional poster and illustration techniques. In one group of pamphlets devoted to the serious hazards and dangers of flying, the Air Force used facetious drawings in the hope of shocking through both exaggeration and understatement. Obviously the Air Force faced a totally different problem from that of the rest of the Army, because the former could count on a comparatively high level of education whereas the latter was forced to contend with large groups of men, many of whom were barely literate. As a result the Air Force could and did use sophisticated visual aids, while on the other hand the Army needed a more popular approach. But, and this is important, all branches of the Armed Services found visual techniques to be sound training investments. It is now common knowledge that documentary films were an essential part of military education, and were frequently augmented by animated film strips as well as charts, diagrams, and maps. Artists, who were called upon to invent new visual aids and to improve existing ones, realized that the more dramatic, simple, and direct the message, the more intense its impact. Words and captions were reduced to a minimum, so that the visual image and its written correlative could be digested simultaneously. The Army artist quickly learned that one graphic idea at a time was better education than a group, also that beauty plays its role and must be considered as a functional part of visual education. In this connection, manufacturers who packaged army rations were informed after a few months that the color, design, and even texture of the packages actually determined the popularity of the contents. Hence much time was spent improving and beautifying food containers and wrappers because, with the conscious intention of psychologically breaking down at least part of the prejudice against concentrated foods, the Army insisted on attractive colors, variety in textures, well designed shapes—in short, eye appeal—for all packages.

I am convinced that industry, never slow to borrow, will incorporate many of the Army's visual techniques, particularly in training programs for salesmen. However, I am more anxious to see educational institutions fully exploit and broaden the scope of visual programs. Not so many

years ago, Mexico, a country predominantly illiterate, realized the enormous value of graphic instruction. In order to reach the public, Mexican artists used frescoes on the walls of public buildings, thus transmitting visual messages without words. In the United States we are fortunately not limited only to pictorial means, and, because our population is more literate, we can depend on brief captions to point up a variety of visual aids. Art museums, also beginning to realize that their work is not restricted merely to a custodianship of valuable objects, occasionally arrange interpretive exhibitions which explain art in its own visual language rather than in typewritten wall labels or printed booklets. Photographs, dioramas, diagrams, wire constructions, comparative paintings, drawings, actual three-dimensional objects, blow-ups, all these can be used to explain art if juxtaposed properly and knowingly. During the war, astute men realized that visualization through art techniques is a powerful educational medium. It is now up to our schools and museums to develop the still untapped possibilities of visual education.

In conclusion I repeat that we are chronologically and psychologically still so closely involved with the war that an objective estimate of its influence on present-day art is fragmentary at best. Chiefly from symptoms and hopes we advance theories for the future, though certain obvious results are already evident, such as the temporary (possibly permanent) establishment of New York as the art center of the western world. Also incontrovertible is the substantial encouragement which the fine arts have received as a result of increased patronage from American industry. Less certain than the quantity is the quality of business participation in American art. Whether paintings of serious content will emerge from the war is a matter only the future can answer, but as yet the prognosis is doubtful. The trend toward confined nationalism during the war years was inevitable and has been symptomatic of art in most of the countries engaged in war, with the exception of France which was dominated by an international group of artists, known as the School of Paris. Romanticism, the antidote, was too often an anemic escape from the serious implications of world conflict. If the fine arts of painting and sculpture have suffered during the war, still American commercial art promises to be enriched through increased emphasis on design, through new technical developments including materials and machinery, through improved visual instruction, and finally through greater public awareness.

LABOR LAWS— A RECONSIDERATION

By BERNARD CUSHMAN

THE WAGNER ACT is now a little over ten years old. When that statute was enacted it was hoped that it would furnish a solid foundation for industrial peace. Recent industrial unrest has made it timely to re-examine the basic premises which gave rise to the act and to reconsider the structure of our national labor policy.

Any such re-examination awakens anew the realization that recognition of labor's right to organize is of comparatively recent origin. As late as 1842 it was a crime for working men to strike for higher wages. In that year the Massachusetts Supreme Judicial Court in the famous case of *Commonwealth* v. *Hunt* held that such a strike was not a criminal conspiracy. For many years thereafter, the naked legal right to strike proved to be rather fragile protection. Widespread use by employers of the blacklist, labor spies, and yellow-dog contracts effectively stifled attempts at organization on the part of employees. Near the end of the last century the era of judicial implementation of employer resistance to unionism began. Free access to the injunction in the courts and judicial construction of the Sherman and Clayton Acts adequately implemented employer attacks on employees' organizational attempts. The great cases in labor law that marked this era—*Debs, Adair, Coppage, Danbury Hatters* and the like—tell the story. Except for a brief flurry of organizational success during World War I, the exercise of the admitted legal right to organize was effectively limited.

In 1932, however, Congress passed the Norris-LaGuardia Act prohibiting continued misuse of the injunction and the use of yellow-dog contracts. In 1935, Congress passed the Wagner Act. The act recognized (1) an inequality of bargaining power as between management and labor, (2) that genuine liberty of contract could not exist in the face of such inequality, (3) that industrial stability depended upon an equalization of bargaining power through the protection of the right of organization and the promotion of collective bargaining.

The new industrial relations policy embodied in the act marked a definite change from the traditional government policy of indifference to unionism. Central to the thinking which underlay this policy was the conception that the collective bargaining between employers and employees to result from assuring to unions access to employers at the conference table would establish mutually agreeable terms and conditions of employment and peaceful procedures for the settlement of other disputes. That the vigorous administration of the act by the National Labor Relations Board has adequately protected the rights of employees and notably encouraged the growth of collective bargaining is apparent from the remarkable growth in trade union membership since 1933.

But the industrial stability which was considered to be a necessary corollary to this amazing growth has not yet arrived. In 1944 there were more strikes and lockouts than in any year in our history, nor have the years 1945 and 1946 seen any great improvement. Some critics of the act have asserted that bargaining power is no longer unequal as between the parties to industrial disputes, that the act is one-sided, and that limitations upon the unions must be imposed in the public interest.

The notion that the Wagner Act is unnecessary to assure equality of bargaining power as between employers and employees is not, however, supported by any convincing evidence. Any realistic appraisal of the facts of industrial life indicates that concentration of economic power in the hands of employers has been accelerated during the war and that their financial strength is on the average greater. How insubstantial is the treasury of even a large union was demonstrated during the General Motors strike. And while the Wagner Act has met increasing acceptance by employers, acceptance is nowhere nearly unanimous, nor is it always complete. It is the protection of the Wagner Act and the existence of the right to strike which tend to reduce inequality in bargaining power between employers and employees.

If this is true, it follows that the basic provisions of the act should be retained unchanged. For some years, however, it has been argued that even if the provisions of the act are to be untouched the act must be made two-sided and that unfair union practices must be proscribed as well as unfair employer practices.

At the outset, it should be noted that the NLRB devotes the greater part of its time to the processing of representation cases, determinations

involving the designation of bargaining representatives of the employees. In many of these cases, there is a contest between rival unions, an election is held, and the board certifies the winner, if any, as bargaining representative in the appropriate unit. To a large extent, then, the board is concerned, under the act, with determining the status of unions and not with the duties or obligations of employers.

In addition, the Wagner Act prohibits employer interference with employees' attempts to organize, outlaws employer attempts to dominate or interfere with the formation or administration of labor organizations, forbids discharges or other discrimination either to encourage or discourage union membership, and makes it an unfair labor practice for employers to refuse to bargain collectively with the bargaining representative of their employees. There is little evidence that unions interfere with the manner in which employers organize or lend financial or other assistance to employers' organizations. Nor in the very nature of things can employees discharge employers.

If employers and others who urge equal treatment really want protection for the right of employers to organize for collective bargaining purposes, the only valid objection to such proposals would be the absence of any necessity for their enactment into law. Most of the amendments that are suggested, however, are not directed at insurance of the freedom of employers to organize. On the contrary, these proposals are aimed at the limitation of the freedom of employees to strike, of the freedom of labor organizations to choose certain types of representatives, and to do business without meeting certain formal requirements aimed at protecting union members against misconduct by their own officials. Thus, the so-called Case bill, which was passed by Congress but vetoed by the President, would penalize employees who strike during a sixty-day waiting period with the loss of their rights under the act. Unions which "negligently" choose Communists or Fascists or felons as officers would, under a proposal of Representative Howard Smith, lose their right to bargain. Another proposal by Representative Smith would similarly deprive unions of bargaining status where such organizations failed to file registration statements with a designated public agency. But business organizations would not be deprived of their right to bargain through representatives of their own choosing, whether their officers are Communists or loan sharks, whether they do or do not comply with registra-

tion laws, and whether or not they lockout during a sixty-day period, although under the Case bill such conduct would constitute an unfair labor practice.

Union racketeering should, of course, be eliminated just as business racketeering should. We should not, however, treat labor organizations and business organizations differently. In any event, such conduct is for independent regulation by the criminal law and not for treatment by a statute designed to promote collective bargaining. Congress failed to recognize this distinction in passing the Case bill. It has remedied this mistake by enacting the so-called Anti-Racketeering Act as independent legislation.

II

One of the more important areas of public misunderstanding and misinformation is a problem which grows out of the administration of the act and which involves the idea that unionization of supervisory employees is a novel concept. Actually, however, unionization of supervisors has existed for many years in the railroad, printing, maritime, and construction industries. And this practice long antedated the enactment of the Wagner Act. In Britain, too, the unionization of supervisors is well established. The right of supervisory employees to self-organization is also recognized by the Railway Labor Act.

Confusion has resulted from the fact that a foreman is a management representative as well as an employee and that if he expresses himself as either in favor of or opposed to labor organization his employer may be held to have committed an unfair labor practice. This view of the subject overlooks, however, the facts of modern industrial life. The identification of foremen with management in gigantic industrial concerns is slight. Their management functions are limited. The NLRB has pointed out that the foreman's status in modern industry has been transformed into that of a traffic cop. The foreman does not formulate policy. His functions are ordinarily limited to the communication of orders from the production office, inspection, and instruction. In most large corporations the hiring, disciplining and discharge of workers is a function of the personnel office. On the other hand, foremen have no greater security of tenure than do rank-and-file employees, and are equally at the mercy of management as to their own wages, hours, and working conditions. General Motors, for example, employs thousands

of foremen. As individual bargainers, the strength of these employees is distinctly limited. It is difficult to see why such employees should not be allowed to form their own independent organizations. Whether supervisors should be permitted to join international organizations which also represent the same employees whom they direct is a more difficult question.

To exclude supervisors from the protection of the Wagner Act, as would be done under the Case bill, is the least promising answer to this problem. During the war we were offered an illuminating example of the unfortunate effects of excising a substantial group of employees from the operation of the act. While the NLRB and the courts have consistently held that supervisors are employees, the board first held that unions representing such employees could be certified by the board, but subsequently, in the *Maryland Drydock* case, adopted the view that, except in certain cases where the traditional practice of the unions involved was to the contrary, it would withhold its certification from labor organizations seeking to represent supervisors. The *Maryland Drydock* decision in no way deterred supervisors from forming unions. Membership in foremen's unions increased considerably following that decision.

The representation machinery of the act was intended to obviate the need for strikes for the purpose of securing union recognition by employers. The board has recently recognized the incongruity of a holding which excludes disputes over recognition from the area of peaceful settlement and compels their determination by the method of economic combat. The board has also recognized that self-organization by such employees has not been and cannot be retarded by requiring employees to resort to the exercise of economic strength to obtain the right to organize. Experience has demonstrated that when men really want to form labor unions, legal obstacles will not succeed in preventing organization. The board, accordingly, reverted to its original position and will now, under appropriate circumstances, certify unions composed of supervisory employees.

I venture to predict that once the recent decisions of the board have won genuine acceptance from management the problems of collective bargaining between employers and supervisory employees will prove no more difficult than the problems involved in collective bargaining between employers and rank-and-file employees. That such problems can be

resolved fairly and in a practicable fashion is demonstrated by the experience of industries in which supervisory organization is established and by the British experience.

III

Another area of union activity that has been cloaked in mystery is the secondary boycott. The operative myth here is that all secondary boycotts are unjustifiable. Here again there is misunderstanding. Authorities are not agreed upon the definition of secondary boycott. Professor Witte has defined two broad classes of boycotts: "A collective refusal to purchase boycotted commodities" and "a refusal to work upon or with boycotted materials." The ordinary secondary boycott is one in which the union resorts to pressure of some kind, usually picketing, to induce third persons to sever business relations with the person with whom the union is in dispute.

The Case bill as passed by Congress attempted to outlaw all secondary boycotts by placing such activities under the antitrust laws. Its proposals failed to distinguish between situations in which unions are acting in furtherance of the protection of union wage rates and working conditions against undercutting by unorganized employees and situations involving jurisdictional disputes between rival unions. Mr. Justice Brandeis long ago pointed out that the efforts of a union to preserve or improve the working standards in any particular establishment are, in view of the consolidation and centralization of modern industry, necessarily related to the working standards and wage rates of other employers in competitive establishments and industries. In refusing to work upon materials manufactured under lower economic standards, ordinarily a primary boycott, unions are only refusing to aid in their own destruction. In picketing suppliers of such manufacturers, the union is engaging in a secondary boycott, but it is similarly protecting its own existence.

The situation involved in the Neon Products case, where members of the International Brotherhood of Electrical Workers, an AF of L union, refused to install neon signs manufactured by the employees of that company who were represented by the United Electrical, Radio, and Machine Workers of America (CIO), presents quite a different case. Where one union, by means of a strike against the suppliers or purchasers of an employer, attempts to force him to deal with it despite the existence

of a contract between the employer and a union which was certified by the NLRB as the representative of his employees, there is little justification for such conduct. The National Labor Relations Act provides machinery whereby representation questions may be decided fairly and in keeping with democratic traditions. If the boycotting union has, in fact, been designated as the bargaining agent of the employees of the boycotted employer, it is free to utilize the processes of the act by filing a representation petition and under appropriate circumstances obtain an election. If, on the other hand, it has no substantial membership among such employees, its attempt to force the employer to deal with it through the exercise of economic coercion is an attempt to force the employer to commit an unfair labor practice. Under such circumstances, of course, the employer is not entirely without remedy. He can have recourse to the courts in a common law action for inducing breach of contract. A better solution, however, might be to authorize the NLRB to implement its certification by enjoining the conduct of the boycotting union.

A recent Supreme Court case disclosed another type of boycott which is also indefensible. In the Allen Bradley case the International Brotherhood of Electrical Workers and certain New York manufacturers entered into agreements whereby, among other things, the union agreed not to install electrical products manufactured outside of the city of New York even though such products were union-made.

The court found such employer-union combinations to be within the scope of the antitrust laws but indicated that if the union had not joined with the employers but had conducted a boycott on its own, the antitrust laws would not have been violated. Boycotts which seek to control the place of origin of manufactured goods and to erect trade barriers on geographical lines have little justification. Legislation to prohibit restraints on trade of this nature is clearly desirable.

IV

One of the more commonly-held myths is that unions are not subject to the law. Yet the overwhelming weight of legal authority is to the effect that collective bargaining agreements are enforceable in the courts. In many of the states labor unions can be sued, if not in their common name, through the technique of the representative suit. An argument may be made that in the remaining states, unions should be made more accessible to suit. It is true that if a state requires service of legal process

on every member of a union prior to suit, there is great difficulty in invoking litigation against a union. This is insufficient reason, however, for compelling unions to incorporate. There are other ways in which accessibility to suit may be accomplished which are not open to the serious objections attached to proposals for compulsory incorporation.

One of these objections is the disparity of treatment as between business organizations and labor organizations which such proposals reflect. Business organizations are not required to be incorporated. Such organizations are free to choose the form of organization most suitable to the nature of their business. Incorporation by such organizations is an entirely voluntary process. The choice of incorporation reflects, moreover, the desire of these groups for limited liability rather than a wish to assume legal responsibility.

Another objection is the doubtful constitutionality of compulsory incorporation of unions when other groups are left freedom of choice as to form of organization. The Colorado Supreme Court has declared a similar Colorado statutory provision unconstitutional.

In addition, incorporation is an unwieldy device so far as unions are concerned and ill-adapted to their needs. Corporate stockholders have easy access to the courts. Internal discord could easily be fomented, resulting in lengthy and profitless litigation.

Incorporation would act as an inducement to litigation and tend to make the courts the vehicle for the settlement of labor disputes. Labor disputes should be resolved not by court order but through the process of collective bargaining. The history of the courts in labor disputes, moreover, gives considerable ground to labor's claim that financial liability is not the basic objection to incorporation but rather the tying up of union funds by hostile judges, judicial interference in union affairs, suits for receivership, and diminished union control over the admission and discipline of members. The probability is that compulsory incorporation would contribute to rather than lessen industrial unrest.

V

Perhaps the most challenging problem in the entire field of labor relations is the question as to what is to be done to settle disputes over the making of agreements. The Wagner Act merely requires the employer and the union to get together around the bargaining table. It does not compel them to reach an agreement. That very few strikes arise over

refusals of employers to recognize and deal with a union is an index to the effective functioning of the act, within its limited sphere of operation. The Wagner Act does not set up machinery for dealing with good-faith disputes over agreements. Most important strikes today are strikes over the failure to reach an agreement on wages, hours, or conditions of employment. This, then, is the proper area of attack for those who aim at the minimization of industrial unrest.

There are two major myths that operate to affect public thinking about this problem. The first is that collective bargaining seldom settles existing disputes. The second is that compulsory measures would be effective in preventing strikes.

The dramatic qualities of a few large and spectacular work stoppages frequently tend to distort our view of the field of labor-management disputes as a whole. Tables of strike statistics get more publicity than does the story of the settlement of a major dispute. No agency publishes statistics which reflect the number of disputes settled by the parties without governmental assistance. The recent General Motors strike drew many headlines, but the conclusion of an agreement in the rubber industry with the assistance of federal conciliators received little notice. Yet most disputes are settled by the parties themselves. There are large segments of industry where for many years no strike has occurred and many individual business concerns with similarly good records.

The notion is current, however, that collective bargaining as a means for the settlement of disputes has permanently broken down and that some other means must be sought to achieve industrial peace. It is much too soon to arrive at this conclusion. In many industries in this country collective bargaining has never had a genuine chance to function. In steel, automobiles, and rubber the unions were not recognized until 1937. During the war, wage, manpower and price controls made collective bargaining a practical impossibility. The collective bargaining process for almost four years atrophied through disuse. It will take time to restore it to health.

Labor, management, and most experts agree that the primary emphasis for the settlement of disputes must remain where it is, on collective bargaining. The problem is to expedite the process whereby collective bargaining can be made to work effectively.

It has been suggested that this result can be accomplished by the compulsory mediation of disputes. The provisions of the Case bill are representative of one school of thought on this problem. That bill would establish a five-man Federal Mediation Board. It would, in substance, require both employers and unions to bargain collectively in good faith and would, once the Federal Mediation Board had intervened, impose a sixty-day waiting period during which strikes or lockouts would be prohibited. This period would begin to run, however, not from the date of the board's intervention in the dispute but from the date of the initial request by either party for a collective bargaining conference on the particular dispute. In the case of a lockout by an employer, such conduct would be an unfair labor practice under the National Labor Relations Act, and the NLRB would be empowered to issue a cease-and-desist order. In the case of a strike an employee who participated in the strike would lose his rights under the National Labor Relations Act as an employee of the struck employer, unless rehired by him.

Such an approach mistakes the very nature of the mediation process. Mediation or conciliation are voluntary processes which depend for their success upon the co-operation of the parties. The mediator is a mutual friend of the parties. A friend can be of little assistance in patching up a quarrel if the parties do not want his help. If he insists on intruding he becomes a troublemaker and successful mediation becomes impossible. It will not help much if the mediator is also a policeman.

This proposal, too, reflects the hold of the myth of the efficacy of compulsion in the settlement of labor disputes. In addition, in applying the sanctions for violations of these provisions the Case bill proposal reflects a familiar pattern of disparity of treatment as between employers and employees. While employers would be subject only to a cease-and-desist order for failure to comply with the law, employees would lose their jobs for the same offense. The employer would be told not to do it again on threat of punishment for contempt of court. The employee would, in most cases, be required to obtain other employment. This would be true even though the employer by engaging in unfair labor practices had provoked the strike.

From an administrative standpoint, moreover, it is doubtful that the time period is at all adequate for successful mediation. Sixty days may well elapse before negotiations lag or before the proposed board can inter-

vene. And where the board does intervene quickly there will ordinarily be insufficient time for it to function properly or the intervention often will be premature.

Nor do compulsory limitations upon the right to strike, even for a limited period, promise much in the way of a contribution to enduring industrial peace. The notion that strikes can be eliminated through legislative command is one of those persistent political myths which has no basis in fact.

Australia and New Zealand have compulsory arbitration laws, but strikes have increased rather than decreased in those countries. For a time during the war, Britain had criminal penalties in effect for engaging in strikes. Such harsh sanctions proved no deterrent.

Our own wartime experience is enlightening. The Smith-Connally Act requires notice of impending strikes, provides for government seizure, and provides for enforcement by criminal penalties as well as by damages in civil actions for striking in violation of the act. Yet the number of strikes in 1944 was the highest in our history.

Proposals for the use of compulsion fail to recognize the essential nature of group conflicts. Conflicts between labor and management mirror the irrational, explosive, and violent elements found in other group conflicts. Compulsory suppression of strikes overlooks the factors of social psychology that make such prohibitions unenforceable in a democratic society.

Apart from the unenforceability of such provisions, a more fundamental objection is that collective bargaining and compulsory strike or lockout limitations are, in the main, antithetical concepts. The fear of economic loss is the most powerful motivation for reaching an agreement. Workers risk much by striking. They are not paid for time lost, and strike benefits paid by the unions are pitifully inadequate. In addition, they run the risk of losing the strike. Employers, on the other hand, face the danger of the financial loss that a cessation of production entails as well as a possible loss of competitive position. There are, of course, other factors that impel the disputants to reach an agreement: fear of unfavorable public opinion, a realization by employers that increased productivity is a direct result of harmonious labor relations, a realization by the union that there is always a future opportunity to bargain for points not yet conceded. The most powerful factor, nevertheless, remains

the impending threat of a strike or lockout. Without it there is little reason for the parties to make compromises, to grant concessions, or to exercise persuasion.

This is not to say that moral obligations should not be placed upon the parties to a dispute to withhold the use of the weapon of strikes or lockouts during a period when governmental mediation facilities are to be utilized. Nor is it to say that orderly procedures for the settlement of disputes should not be outlined though not compelled by statute. It is to say that industrial relations cannot be made harmonious by legislative edict any more than, as Dr. William M. Leiserson has remarked, the lives of married couples can be made harmonious by a statutory requirement that they live happily ever after.

VI

What, then, can be done to facilitate the settlement of industrial disputes when bargaining ends in disagreement? In many of the proposals which have been discussed in this article may be found some elements of a sound labor relations policy. Any sound labor relations policy must (1) establish orderly and well-defined procedures for the settlement of disputes, (2) rest primarily upon collective bargaining as the basis of the settlement of such disputes, (3) provide for mediation and conciliation where collective bargaining by the parties themselves has been unsuccessful with an attempt to induce voluntary arbitration as the last step in the process, and (4) where mediation or conciliation has failed provide for the use of fact-finding and recommendations by emergency boards in cases which vitally affect the national interest.

There are two suggestions which offer a promise of success. First is the proposal to give a statutory basis to the technique of the appointment of fact-finding boards. The President suggested that Congress authorize the certification of such issues to *ad hoc* fact-finding panels. These panels would hold hearings and publish their findings and recommendations upon the issues with a period of thirty days during which strikes or lockouts would be unlawful. The proposal was coupled with the provision that the power to subpoena be granted to such boards or panels. The Secretary of Labor has construed the thirty-day provision as imposing moral obligations only.

The theory behind this proposal is, of course, that the informed findings of a panel of distinguished and public-spirited men backed by public opinion would generally be accepted.

The validity of fact-finding depends upon the soundness of the base upon which it is constructed. Fact-finding is, in essence, an end process. This proposal assumes that the principles of orderliness and definiteness are satisfied by existing procedures and that the facilities of the United State Conciliation Service are adequate for the mediation and conciliation of disputes. The proponents of this view have argued that better and more experienced personnel and increased appropriations will strengthen the Conciliation Service sufficiently for the satisfactory disposition of most disputes. In those disputes in which no agreement is reached despite the assistance of the Conciliation Service, fact-finding is the process to which there must be resort.

Fact-finding as a medium for the settlement of disputes is not new. As early as 1902, Charles Francis Adams read a paper to the American Civic Federation upon *Investigation and Publicity as Opposed to "Compulsory Arbitration."* This device has been employed for several years in the railway industry with comparative success. In steel, meat-packing, automobiles, and oil, fact-finding boards were used during the latter part of 1945 and the early part of 1946. While the results were not wholly satisfactory, all of these disputes were, in fact, settled substantially in accordance with the recommendations of these boards. When employed carefully and in restricted situations, fact-finding has been demonstrated to be a potent aid to the resolution of industrial disputes.

Several experts have pointed out, however, that fact-finding must be used infrequently. If too many boards are appointed, public opinion tends to become scattered and diffused, and hence cannot be marshalled effectively behind their recommendations. Others have objected to the fact-finding proposal because they feel that existing mediation procedures are not definite and orderly, that the duties of the parties to disputes are not now sufficiently defined, and that the proposal fails to treat the settlement of labor disputes as an integrated and continuous process. There is no definite indication, they contend, as to where fact-finding begins and mediation ends. Labor leaders contend that the proposal unduly limits the right to strike. They argue that, practically speaking, the limitation is far more extensive than thirty days. It will cause em-

ployers, they say, to delay real efforts at settlement through the bargaining negotiations, during all subsequent attempts at mediation or conciliation, during the period of uncertainty as to whether the Secretary of Labor will certify the dispute, and through the deliberations of the fact-finding boards. For a six-month period the union's bargaining power will be weakened.

It has been suggested by others that legislation modeled on the Railway Labor Act should be enacted. This proposal would make it a duty of either party to a dispute to exhaust all reasonable efforts at settlement and would spell out with some particularity the duty of either party to a dispute to submit a demand in writing and request a conference, and for the other party to confer with the party making the demand within a specified period. In addition, the proponents of this view would create a mediation board and would require the parties to a dispute to refrain from strikes and lockouts whenever the services of the board were invoked or the board proffered its services in a pending dispute. As a last step in the mediation process, the board would be required to try to induce the parties to submit their dispute to voluntary arbitration. The duty to maintain the *status quo* would be a moral obligation only, and would continue until the board certified that its efforts of mediation had been unsuccessful. Whenever the board issued such a certification, the President or the Secretary of Labor would, in emergency situations affecting the national interest, be empowered to appoint emergency fact-finding boards. Whenever an emergency board was appointed the parties would be required to maintain the *status quo* until thirty days after the board had issued its findings-of-fact and recommendations. Some observers couple these recommendations with the recommendation that provision be made for compulsory arbitration of grievances.

Advocates of this proposal contend that it represents an integrated and well-defined procedure for the handling of disputes with what has been, on the whole, an outstanding contribution to industrial stability as a heartening precedent, namely, the substantially identical provisions of the Railway Labor Act. These observers consider the recent railroad strike as due to faulty administration of the act rather than to any weakness in its provisions.

Opponents argue that the success of the Railway Labor Act is predicated upon the fact that the act was a result of an agreement between

management and labor in the railroad industry, and that legislation which is not based upon such an agreement is bound to be unsuccessful. It is also argued that the absence of strikes in the railroad industry is due in large measure to the power of the government to take over the roads in peacetime. The impending possibility of government intervention is alleged to be the coercive factor that makes for the settlement of the dispute. Others point to the maturity of unionism in the railroad industry and suggest that the newer unions are neither strong enough nor stable enough to adjust themselves to this type of machinery. Still others suggest that there is a distinction between the railroad industry, in which rates are fixed by governmental agencies, and unregulated industries. Moreover, many union leaders allege that, generally speaking, rates of pay in the railroad industry are lower than those in other industries—which indicates that the bargaining power of labor is unduly limited under the Railway Labor Act.

If any legislation is to be enacted, these two proposals appear, however, to offer the best hope of success. Both recognize the fundamental principles for the successful adjustment of disputes, enumerated above. They establish the rules of the game in democratic fashion with a view toward making collective bargaining work and bringing the maximum public pressure to bear where all other means to effectuate an agreement prove unavailing.

Some, however, will question whether these suggestions deal adequately with the problem of strikes in public utilities. In these industries, it is urged, the public interest in the uninterrupted flow of products and services requires the total elimination of strikes and lockouts. The interdependence and consolidation of modern industry accentuate the problem.

There can be no question but that public opinion is strongly in favor of some form of legislative limitation on the right to strike in this field. It is in this connection that emotions are aroused and public concern most manifest. But the same myths are at work here to confuse public thinking that operate outside the public utility field so far as labor relations are concerned. The myth of the effectiveness of compulsion is operative here to becloud public thinking. Compulsion is no more likely to be effective in public utility cases than in others. Moreover, the ordinary reluctance to strike is noticeably greater among employees of public utilities.

It should not be forgotten, moreover, that the owners of public utilities are, generally speaking, private employers. Justice Brandeis and others have taken the position that the right to strike against a public utility cannot be abrogated except under public ownership of the utility. The proponents of this point of view contend that if the public interest is sufficiently great to require security against interruptions of service in the form of strikes by employees and to require governmental wage-fixing, it follows that the industry, too, must be publicly operated in the interest of the public security. In the absence of nationalization, it is difficult to build a case for discriminating against public utility employees by abrogating their right to strike on the ground that they chance to be employed by a public utility.

Experience has shown that there is no easy road to industrial peace. Nor is there any one method that will settle labor disputes. In every case there are different and diverse elements, some tangible, some intangible. In one case the personalities involved are as important as the issues. In others the issues outweigh the personalities. In each case the factual situation varies. Ten years is too short a time in view of the diversification of American industry, the newness of collective bargaining in most industries, and the abnormal situation prevalent during the four war years for collective bargaining to have had a fair opportunity to function. The substitution of the processes of persuasion for the process of trial by economic combat is likely to be slow and uneven, quicker in some industries than in others. Public opinion will be more intelligent and helpful in expediting that process if it is based on realistic appraisal rather than on stereotypes propagated by interested contestants.

THE GM STRIKE: A NEW STAGE IN COLLECTIVE BARGAINING

By FRANCIS CARLTON

When General Motors workers left their jobs on November 21, 1945, to begin a strike that made front page news until March 13, 1946, they demonstrated dramatically that a powerful portion of American labor can conduct collective bargaining on the basis of demands aimed at over-all community welfare, rather than on narrow motives of "unionism as usual."

Ten years of tireless spadework preceded this historic strike—ten years in which a group of far-seeing unionists labored to teach hundreds of secondary leaders in the auto union that American workers have the responsibility to provide national leadership for the fight against unemployment and depression. It was a difficult task, and even now it is only just started; for there are many sections of union labor which do not yet see the wisdom of directing their energy toward the larger goals of national well-being.

This dramatic decade began at South Bend, Indiana, in the spring of 1936, when several dozen delegates from a few scattered federal AFL locals in the auto industry voted to affiliate with the infant Committee for Industrial Organization. One of these delegates was the youthful Walter P. Reuther, then 28 years old, who is today international president of the potent and militant UAW-CIO. Reuther stood then—as he stands today—for social unionism rather than business unionism; and it was the devotion of himself and his followers to this philosophy that kept the UAW-CIO wagon hitched to the star of democratic social change.

Throughout this decade, the auto workers union continued to manifest its progress away from nickle-and-dime unionism. This progress was apparent when the union created a Medical Research Institute, a Housing Department, a Consumer Division and a dozen other special offices to cope with the social problems affecting its membership. Reuther's proposal in 1940 to convert the auto industry to mass production of aircraft

was characteristic of this developing social philosophy. Later, in the midst of the war, he made more proposals, including a tooling program and a manpower program, which indicated the march of the union toward maturity.

But the General Motors strike of 1945-46 provided the climax to this development of a unionism devoted to community welfare. It demonstrated the depth to which social unionism has driven its roots into the American social order, and it confounded the master minds of big business who were convinced that the postwar period offered them a chance to weaken—and perhaps destroy—unionism in our basic industries. But, more important, the issues raised by the leaders of the GM strike, together with the strategy of its conduct, opened the first act of a new and dramatic era in American unionism: It revealed the willingness and the capacity of labor to rise above the traditional tactics of bargaining for a bigger slice of the fruits of capitalist enterprise, and to lay the foundations for new economic arrangements aiming at a society of security, freedom, and abundance.

II

The story of the strike begins on August 18, 1945. On that date Walter P. Reuther, then vice-president of the UAW-CIO and director of its General Motors department, sent to Charles E. Wilson, GM president, a letter setting forth the union's demand for a 30 per cent wage increase without price increases. In this letter Reuther said:

> On August 16, President Truman announced a change in national wage stabilization policy. His six-point labor policy for the reconversion period provides for the restoration of free collective bargaining, under which it is permissible to make general wage adjustments provided that such adjustments do not necessitate any increases in prices.
>
> With this policy we in the UAW-CIO are in hearty accord. We have maintained all along that the public interest demands effective, stringent price control; and we in the ranks of organized labor are proud of the role we have played in protecting the consumer interest against the pressure of war profiteers. . . .
>
> We oppose the special-interest, pressure-group approach of "Let's get ours—and the public be damned." . . . Our proposal for maintaining high labor income without any increase in prices is imperative if we are to achieve an economy of Full Production, Full Employment, and Full Distribution and Consumption. . . .

Reuther further proposed that General Motors join with the Union "to initiate the calling of an industry-wide conference for the purpose of establishing a uniform wage pattern for the entire industry." He stated his belief that "an industry-wide conference at this time could come to grips with the basic problem of wages and the organization of production and distribution in the industry so as to achieve stabilized employment and the annual wage."

General Motors made no official reply to the union's demands until October 3, six weeks later, when the first negotiating session was held in Detroit at the GM building. Then the corporation released to the press, and delivered to the union delegation of negotiators, a long letter rejecting the demands in their entirety and branding them as "unreasonable." In this letter, signed by Charles E. Wilson, the corporation stated:

> We shall resist the monopolistic power of your union to force this 30 per cent increase in basic wages. Such an increase in our plants would soon spread to the plants of all of our suppliers and would affect all elements of cost. Automobiles would shortly cost 30 per cent more to produce. Prices to customers would have to be raised 30 per cent. If wage raises in automobile plants forced such increases in car prices, the market for automobiles would be restricted. Fewer cars would be sold; fewer people would be able to afford and enjoy them; and fewer workers would be employed in making them.

In response to Reuther's proposal for industry-wide wage negotiations, Wilson said:

> We are not in a position to do this, and do not believe that it would be sound development for our country even if we were. . . . Industry-wide bargaining tends to disregard the peculiar or local interests of many groups of employees and of individual employers, to increase costs and prices and to affect adversely the interests of the people as a whole.

Actual discussion of the Union's demands did not begin until October 19, when GM Vice President Harry Anderson appeared with a formal statement answering the appeal for public negotiations with these words:

> General Motors has further stated that at any time the current collective bargaining has broken down or a strike occurs and it is clear that there is no possibility of a solution by agreement between the parties and a duly authorized public body empowered to investigate and report on the merits of the controversy assumes jurisdiction, we not only will be agreeable but will insist that the proceedings before such a body be open to the press and public.
>
> In view of the fact that you [Reuther] have invited the press to the meeting with your union today without notice to and agreement with us, we

> can only conclude that you have decided that collective bargaining has failed in this case and you are taking the responsibility for breaking off negotiations.

Reuther replied to this statement by saying that the union was not willing to assume the responsibility for breaking off negotiations, and therefore asked the press to leave, in order that discussion of the demands might proceed. The refusal of General Motors to permit the press to observe the negotiations was the prelude to its subsequent display of an attitude contradicting all its professions of concern for the public interest. For, while GM spent large sums of money proclaiming its devotion to the public interest, the corporation executives pursued a course which denied the public any workable opportunities to judge the merits of the dispute. Moreover, as subsequent events related herein will show, General Motors balked at any and all endeavors of the union to bring the dispute under the jurisdiction of public agencies.

Beginning with the session of October 19, the union presented a documented recitation of economic arguments supporting its demand for a 30 per cent wage increase without price increases. As each section of the economic brief was submitted to the corporation, the union mailed copies of them, accompanied by interpretive press releases, to hundreds of newspapers, magazines, radio stations, heads of federal agencies, and congressional leaders of both major parties. At the conclusion of the presentation of the brief, the entire document was published under the title of "Purchasing Power for Prosperity."

The economic arguments contained in this brief were, in condensed form, as follows:

First, that the postwar reduction of operations to a 40-hour week schedule, together with downgrading and loss of night-shift premiums, had subjected GM workers to weekly wage-cuts of 23 1/13 per cent. Straight arithmetic revealed that a 30 per cent increase was necessary to compensate for this cut, if wartime levels of take-home pay were to be maintained. The desirability of maintaining wartime take-home pay was documented by supporting views expressed variously by President Truman, the National War Labor Board and Secretary of the Treasury Vinson, then Director of the Office of War Mobilization and Reconversion.

Second, that the union's demand for a wage increase without price increases was based upon a desire to promote employment and expanded

production in the postwar period by diverting a necessary portion of the flow of national income away from profits and dividends and into consumer purchasing power. In support of this position, the economic brief said:

> Our economy could not tolerate in 1929 the high business profits and large savings of the wealthy of that year even though the economy was then operating at close to full employment and the national income as a whole was rising. How can it tolerate the even higher profit margins of 1946 at a time of mass unemployment and sharp drop in the national income?

Third, that General Motors had the capacity to pay the 30 per cent wage increase without raising prices and still make profits well above the level of prewar operations. The union supported this point by reciting past performances of GM during which wage and profit levels had risen all out of proportion to price increases—particularly from 1936 to 1941, when wages went up 37.3 per cent, profits went up 61 per cent, and prices went up only 16.6 per cent—and pointed out that this had happened because total output went up 21 per cent while output per manhour went up 12 per cent. Using GM's own projection of expected postwar production levels, the union went on to show that high-volume output, increased efficiency, and technological refinements could easily absorb the 30 per cent wage increase and still return profits considerably in excess of prewar levels.

III

These demands, and the arguments advanced to support them, were revolutionary in their over-all economic implications, as well as in their impact upon a public concerned deeply with the need to reconvert the American economy to a pattern of full employment and full production. For the first time in the industrial history of this country, a strong union in a major industry was breaking with the past by insisting that its wage demands be settled within a framework of economic policy keyed to the welfare of the nation and the interests of the consuming public. The union phrased this departure from "unionism-as-usual" in the following words:

> UAW-CIO does not base its demands on short-run selfish considerations, but is basing them on enlightened long-run considerations which identify the true interest of the union with the general interests of the public.
>
> The UAW-CIO demands not only do not conflict with the public interest, but actively promote the public interest. The easy way to get wage increases

> is to conspire with industry to get price increases from OPA, getting wage demands met out of prices at the expense of the general public. This is the philosophy of "The public be damned!" . . . We do not want our wage demands met out of price increases. . . .

In the so-called negotiations that followed the presentation of the union's economic brief to the corporation, it was this insistence by the union that collective bargaining be keyed to community welfare which gave the subsequent strike its social revolutionary and far-reaching character, destined to affect American industry for years to come.

Throughout the discussions of the demands preceding the actual calling of the strike, General Motors refused to consider the union's concept of the relation of prices to wages as a proper subject for collective bargaining. Appropriate excerpts from the transcript of the discussions are cited below to show the corporation's position:

> *Mr. Coen* (of GM): Is the UAW fighting the fight for the whole world?
>
> *Mr. Reuther:* We have been fighting to hold prices and increase purchasing power. We are making our little contribution in that respect.
>
> *Mr. Coen:* Why don't you get down to your size and get down to the type of job you are supposed to be doing as a trade union leader, and talk about the money you would like to have for your people and let the labor statesmanship go to hell for awhile?
>
> *Mr. Reuther:* Let's talk down where we can understand each other. Let's get down on our level. Say we modified our demand and we want X per cent wage increase, and don't talk about prices and profits, talk about X cents we think we want, would that help the situation.
>
> *Mr. Coen:* It would change a hell of a lot.
>
> *Mr. Corbin* (of the UAW): Do you mean if we came in here with a 30 per cent wage demand and offered to join with you in going before OPA for a 30 per cent increase in the price of your cars, you would talk business?
>
> *Mr. Coen:* We don't ask you to join with us on the price of the cars. It is none of your damn business what the OPA does about prices.
>
> *Mr. Reuther:* The question I am trying to put is this: I am trying to say, how much of an increase are you offering us, and how much of a price increase are you going to ask to cover that up?
>
> *Mr. Anderson* (of GM): On the first part of your question, up to this moment we don't know what it amounts to.
>
> *Mr. Reuther:* But it will be the difference between —

Mr. Anderson: It will be the difference between them. What we do about prices, we figure that is our business what we do with it.

Mr. Reuther: You don't think that is something we ought to talk about here?

Mr. Anderson: That gets back to the old question again, whether or not we are going to let the union run our business by determining our prices.

From October 19 to November 19, the negotiators continued to meet, but no progress was made, except that General Motors began gradually to retreat from its original flat rejection of the demands. During this period, the Department of Labor conciliators were admitted to the discussions at the request of the union. The corporation, however, insisted that they be present only as observers, in spite of the union's demand that they be permitted to participate in the negotiations.

On November 8 the union filed a complaint with the National Labor Relations Board charging the corporation with unfair labor practices, on the grounds that it was refusing to bargain in good faith. By November 15, GM had retreated to the point of offering a flat 10 per cent increase in wage rates—tied, of course, to a formula for using the increase to get OPA to raise automobile prices.

A National GM conference of UAW-CIO delegates was called to meet in Detroit on November 19 to review the negotiations and consider the corporation's offer of a 10 per cent wage increase.

The conference rejected the 10 per cent offer. But the rank and file representatives of the GM workers made one more effort to avoid a strike; they proposed to the corporation in a letter sent by special messenger that the dispute be submitted to arbitration. The arbitration proposal called for a three-man board, one to be selected by the union, one by the corporation, and the two thus selected to choose the third member. It specified, further, that both parties agree to submit all records and books called for by the arbitrators, and that any wage increase awarded not be used as the basis for a price increase. GM was given until late in the afternoon of November 20 to reply to this proposal.

General Motors replied that it would deliver its answer to the arbitration proposal on or before November 23. On the morning of November 21, the workers in all of the major manufacturing units of the General Motors Corporation walked out of the plants and set up picket lines that

maintained their vigil until the middle of March. They had, of course, previously voted to strike under a Smith-Connally Act ballot, as well as under secret ballot strike votes conducted in conformance with the UAW-CIO constitution.

IV

Shortly after the calling of the strike, the union invited a number of nationally known citizens to come to Detroit and study the transcript of the negotiations and form a free opinion on the issues in dispute.

Fourteen people accepted the invitation. They formed a committee which included in its ranks such well known personalities as Leon Henderson, Bishop William Scarlett, John B. Hanna, and Professor Harry O. Overstreet. Dr. Henry Hitt Crane, pastor of the Central Methodist Church in Detroit, served as chairman of the committee.

For two days, December 4 and 5, the committee studied the transcript of the negotiations and questioned representatives of both the UAW-CIO and General Motors. On December 6, the committee issued a report which said:

> . . . we recommend that any fact-finding commission appointed by the President be authorized and directed to determine what increase in wages can be given on the basis of the corporation's ability to pay without increase in prices. The corporation's ability to meet a wage increase is a sound factor in the determination of wages, both in good times and bad.
>
> From the record it is clear that the union in its refusal to accept a wage increase that involves price increase has lifted the whole matter of collective bargaining to a new high level by insisting that the advancement of labor's interest shall not be made at the expense of the public. The union has shown a sense of social responsibility that indicates its growing maturity and is certainly to be commended.

General Motors, however, was far from convinced. On December 10, while a mass demonstration of several thousand UAW-CIO pickets marched for more than an hour around the GM Building in Detroit, the corporation delivered a letter to the union announcing that it was cancelling the National Agreement. Up till that time, the question of wages had been the only issue in dispute, but the cancellation of the National Agreement by the corporation threw the whole matter of collective bargaining in General Motors open to renegotiation.

It must be noted at this point that General Motors cancelled the National Agreement for the same reason that motivated it to make a farce of the wage negotiations and force the union to strike; this reason was a belief by high corporation officials that they had a good chance to seriously weaken the union. Acting in this belief, GM cancelled the old agreement in the hope of reducing the power of the union in the new agreement that had to be negotiated.

President Truman intervened in the strike shortly after the agreement's cancellation. He appointed a fact-finding board made up of Lloyd K. Garrison, of the University of Wisconsin; Milton Eisenhower, of Kansas State College; and North Carolina Supreme Court Justice Walter P. Stacy. This board began its hearings on December 20. The union presented its case for a wage increase without a price increase all over again to the fact-finding board, repeating with new emphasis all the arguments that had been used in the futile negotiations with GM.

The corporation, however, continued to try to obscure the economic facts involved in the dispute. Its spokesman appeared before the board to inquire if the fact-finding body was going to consider ability to pay as a factor in the case. Until that question was answered, the GM agents said, they would not state the corporation's position to the board.

The question was answered on December 28, when Lloyd Garrison received a memorandum from President Truman instructing the fact-finding board to consider ability to pay in its deliberations on the GM case. That made up the corporation's mind. Through its special attorney, Walter Gordon Merritt, General Motors stated a lengthy objection to the consideration of its ability to pay[1] as a factor in the dispute, then arbitrarily withdrew from the hearings.

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[1]The issue of GM's ability to pay the 30 per cent wage increase was popularized through the union's insistent demand for "a look at the books." Reuther kept challenging the corporation to bring out the economic facts to back up its refusal to pay the increase demanded. The terms "ability to pay" and "look at the books" were employed to dramatize the union's lengthy statistical analysis of GM's financial structure showing that—in the union's opinion—the corporation was well able to pay the 30 per cent without increasing prices.

Later, at the close of the UAW-CIO convention in Atlantic City late in March, when a number of newsmen reported Reuther as stating that the "look at the books"

But GM's truancy did not deter the fact-finding board; it proceeded with its work and on January 10, 1946, recommended a 19½ cents wage increase—which it declared could and should be paid without increasing prices—plus reinstatement of the old National Agreement. It was the further opinion of the board that this 19½ cents could be paid on the basis of 1941 production levels, indicating, as the union had held in its brief, that even higher wage increases without price increases might be possible at the high production levels projected by GM for 1946.

The union promptly called a national conference of delegates from the ranks of the striking GM workers to act on the recommendation of the fact-finding board. Acceptance of the recommendation as a basis for settling the strike was promptly voted by the delegates, with a time limit stipulating that failure of GM to accept would compel the union to reinstate its original 30 per cent demand. Within a few hours, General Motors climaxed its defiance of every reasonable endeavor to settle the case by rejecting the recommendation of the presidential fact-finding board.

V

On January 28, the National Labor Relations Board opened hearings in Detroit on the complaint charging General Motors with unfair labor practices in the form of refusal to bargain collectively with the UAW-CIO. It was in the course of these hearings that the political implications of the GM wage demands and subsequent strike began to come to light.

Charles E. Wilson admitted on the witness stand that he had invited other industrialists to meet with him at the Waldorf-Astoria Hotel in New York to discuss the strike situation. NLRB Attorney Harold Cranefield suggested that the New York meeting was intended to direct a common plan of resistance to union wage demands. Mr. Wilson of course, denied this.

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and "ability to pay" were just public relations gags, and that the union was not serious about these issues—he was clumsily misquoted. What Reuther said was that the union did not actually want to examine the corporation's records, but that it did want GM to present economic facts to prove that it did not have the ability to pay the wage increase demanded without increasing prices.

"Ability to pay" has always, of course, been a factor in wage negotiations when employers wanted to cut wages—but they shy away from it when trying to reach agreement on the amount of an increase.

Nevertheless, despite Mr. Wilson's denial of a united front among major mass production corporations in basic industries to resist union wage demands, there were a number of angles to the GM strike that lent a definite political coloration to the corporation's attitude. There was much to support the view of many unionists and observers that GM wanted the strike to occur because its officialdom felt that a long strike would weaken the UAW-CIO and perhaps even bring a shift in the leadership of the Union's GM Department.

First, there was the corporation's rejection of public negotiations, its rebuff of federal conciliators, and its refusal to arbitrate.

Second, there was the fact that Mr. Wilson did take the initiative, as he admitted on the NLRB witness stand, in calling the meeting of industrialists in New York to discuss union wage demands.

Third, there was the injection into the negotiations by the corporation of a long antiunion treatise by Professor Henry C. Simons lifted bodily from the March, 1944, issue of the *Journal of Political Economy*. Among other things, Professor Simons said: ". . . For my part, I simply cannot conceive of any tolerable or enduring order in which there exists widespread organization of workers along occupational, industrial, functional lines." When questioned by NLRB attorneys, Mr. Wilson frankly endorsed the Simons argument against industrial union organization. (He neglected to mention that Professor Simons is also opposed to corporate monopolization of business enterprise.)

Fourth, there was the fact of the publication in the daily press of a full-page advertisement by the Society of Sentinels, an abortive antiunion group that called for the repeal of all labor legislation passed in the last two decades. Not the least among the Sentinels was Stephen DuBrul, a GM economist and high-ranking official who participated in all the negotiations with the union.

Finally, there was the general feeling among GM workers and among many of the newspapermen assigned to cover the strike that General Motors was playing for stakes so high that it was willing to prolong the strike in the hope of discrediting Walter Reuther's union philosophy and hampering his career in the labor movement. A UAW-CIO convention was scheduled for March 23, at which top officers were

up for re-election. A long strike might generate dissatisfaction and boomerang to Reuther's political detriment. This feeling was so strong early in March that the top GM Negotiating Committee, a nine-man body made up of shop leaders elected from plants scattered all the way from New Jersey to California, felt constrained to accuse the corporation publicly of prolonging the strike for political purposes. The committee said:

> The General Motors strike is being unnecessarily prolonged because the General Motors Corporation is trying to interfere in the internal affairs of the UAW-CIO. Such interference is part of the corporation's long-range program of fighting the economic policies advanced by the union of increasing wages without increasing prices. . . .
>
> General Motors wants to use the strike as a political weapon to influence convention decisions and to turn the union membership against its leadership in order to defeat the higher purchasing power policies which the union has so effectively advanced since V-J Day. . . .
>
> General Motors is trying to play union politics. They consider the several million dollars it will cost them to continue the strike a cheap enough price if they can put an end to the union's advocacy of higher wages without price increases or turn out of office the union leadership which advocates that kind of economic thinking. . . .

This statement was released to the press on March 6. Some time shortly after that, the powers that be in General Motors must have decided very suddenly to alter their strategy, for the strike was settled just one week later, on March 13, in a round-the-clock negotiating session. The settlement included an 18½ cents wage increase, plus a wage-equalization fund which the union calculated would more than compensate for the extra penny recommended by the fact-finding board; union security in the form of an irrevocable check-off of union dues; a much improved clause recognizing seniority as a factor in transfers and promotions; and restoration of all the disputed contract clauses awarded by the War Labor Board, which GM had steadfastly insisted on deleting from the agreement. Ratification of the terms of the settlement was quickly voted by a majority of the GM locals of the UAW-CIO, although a few scattered locals continued on strike to win additional concessions on their local demands for improved working conditions.

It must be noted that the rank and file and the leaders of most American labor unions responded nobly to the appeal of the GM workers

for aid in their struggle with General Motors. Money poured in from every corner of the land to help feed the strikers. But the new ideas and issues raised in the strike—which quickly became very popular with the rank and file of labor all across the nation—were not so widely accepted in the ranks of top labor leadership. Some leaders—even in the CIO itself—were openly critical of what some called Reuther's "cockeyed economic theories." However, the notion of getting a wage increase met out of profits—instead of at the expense of the consuming public—aroused more support for the strike from non-labor sources than was ever mobilized for any other strike in American labor history.

VI

In a few days the headlines shifted to Atlantic City, where on Saturday night, March 23, in response to the unanimous demand of a caucus of about a thousand UAW-CIO convention delegates, Walter Reuther agreed to become a candidate for the presidency of the union. From then until Wednesday, March 27, the day set for election of the president, the General Motors strike was rehashed over and over again as the embattled delegates employed it both for and against Reuther in one of the most hectic convention elections in American labor history.

Reuther's opposition, including a noisy minority of well-disciplined Communists, accused him of "jumping the gun," of timing the strike wrong,[2] of complicating the strike with "fancy" economic theories, and of prolonging the strike for his personal glorification. Reuther took his stand on the economics of the strike and the tactics employed in its conduct and fought it out on that line. He accepted the challenge to make

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[2]The issue of the timing of the GM strike was raised by Reuther's political opponents—most audibly by the Communists—who claimed that the General Motors workers should have waited and called their strike jointly with the steel workers. Reuther's major defense of the timing of the strike was that a strong decisive stroke of union strategy was necessary to co-ordinate rank and file pressure for wage increases around a powerful, well-planned national effort to set a pattern for the industry. Once the pattern was set in a major corporation, he asserted, the other plants would fall in line. Subsequent developments—most notably the negotiation of the pattern increase of 18 and 18½ cents in Ford and Chrysler without strikes—substantiated his reasoning. Auto unionists were of the general opinion, too, that a higher pattern could be set by taking on GM first, and there is much economic data to support this view.

the GM strike the most decisive issue of the convention. He hammered away on the theme that real wage increases are necessary to generate the purchasing power required to impel the American economy toward full production and full employment; that such real wage increases can only be attained through mobilization of the community behind a campaign to hold prices and divert income out of profits, dividends and savings into mass purchasing power; and that it is labor's responsibility to break with the past and lead this campaign to mobilize the American people behind a dynamic crusade for high wages, low prices, full employment and full production, if we are as a nation to help build the economic basis for an enduring peace.

The outcome of the convention is a matter of historical record. Reuther was elected to the presidency of the UAW-CIO by the scanty margin of 124 votes out of a total voting strength of more than 8,000 in the convention. But the slenderness of this margin of victory is misleading. There were many more delegates in the convention who sympathized with Reuther's economic philosophy and appreciated his generalship of the GM strike, but who voted against him for personal and political reasons peculiar to the UAW-CIO.

The fact is that there is actually broader support for the economic theories used in the GM strike than Reuther's election margin would indicate. This means that the wage-price policies developed during the GM strike will continue to shape the UAW-CIO program. Reuther himself has given strong assurances of his determination to so shape it, and he is certain to try to carry this principle into the upper councils of the CIO itself.

At the first UAW-CIO International Executive Board meeting after the convention Reuther reiterated his intention to carry on the fight for an intelligent wage policy linked to community welfare. In the statement of program submitted to the board, he said:

> We condemn the discredited policy of old-line labor leadership which pretends to promote the interests of the workers by conspiring with management, as in the coal industry, to exact higher prices from consumers. In the division of the spoils of that policy the workers have always come out second best while employers have found it easy to shift the blame for higher prices away from their own profiteering and on to the minor wage gains which go to the workers. Labor will not make progress toward the high standards of

> living which it is able to produce so long as it seeks to advance its interests without regard to the interests of all other workers and of the community of which it is a part. We shall realize and hold on to our gains only by making progress with the community, not at the expense of the community.

Unfortunately, both for labor and the consuming public, big business pressure forced OPA to grant large price increases on automobiles. Because of these unjustified price increases, together with the tragic failure of top government leaders to initiate and press a broad fight for equitable distribution of purchasing power, we may slide back into an economy of limited production, inequitable distribution, and inadequate consumption. There is still time and opportunity to avert catastrophe—but not much of either. Some government leaders, legislators, and responsible business leaders recognize the danger in our present course, and want to do something about it. In the ranks of labor, farmers, consumers and professionals, there are strong voices demanding that we turn back from disaster and begin to build a democratic economy of full production, full employment, and full consumption.

Organized labor, above all, has the responsibility of accepting the pattern of economic thought developed in the GM strike as the base for a new concept of labor union action. That concept must be one which relates the interest of the individual worker, his local union, his international union and the entire working class to the economic well-being of the community as a whole. Labor's policies with respect to wages, prices, employment, and all economic matters must be tied to this concept.

Pure and simple unionism—with its homespun devotion to nickel increases at any cost—ought to be put away with other obsolete American institutions. Simple collective bargaining will not avert depression, avoid war, or shield workers from the devastation of the atomic bomb—even though this triple-threat catastrophe menaces both labor and the community more than any other issue of the times. Labor simply has to move out beyond the cozy area of the conference table where it haggles with the employers over shop problems—if it is to fulfill its role in the social endeavors required of progressive and liberal democratic forces today.

The lesson of the GM strike was that collective bargaining and working-class economic action on a national scale can be joined and conducted in the interest of the entire community. One phase of this lesson is the proper and effective relation of the issues of the strike to the

national interest. This is of major importance: For the wage-price policies raised and popularized in the GM strike are but the first steps that labor must take to help the majority of the American people implement its strong desire for abundance and freedom.

When the bulk of labor learns to follow the new principles patterned in the GM strike, the issue of democratic versus monopolistic control of our economy will be joined. In the decision of that issue, neither labor nor any other one group can prevail. Labor must work with the majority of the people to achieve effective democratic transformation of the economy in order to preserve and strengthen American freedom.

BOOKS

UNCLE TOM'S GHOST AND THE LITERARY ABOLITIONISTS

By DAVID DEMPSEY

IN A PERIOD which has witnessed the restoration of Eugene Talmadge's hayseed dynasty in Georgia, the triumph, for a third time, of Bilbo in Mississippi, the resurgence of the Ku Klux Klan, and an alarming increase in violence against the Negro, it is significant—in a literary sense—that not a single lynching took place in fiction in 1946. A few years ago a Negro who entered the pages of a novel was as doomed to hang from the gallows as though he had stumbled into a meeting of the Klan itself. Uncle Tom, the literary prototype of the race, was no longer pursued by bloodhounds, but by deputy sheriffs in high-powered Buicks; and he was returned, not to slavery, but to the chain gang. Bigger Thomas, turned into a criminal by the social injustices of the white man's world, and the passively exploited characters of Caldwell and Faulkner, were the tragic "types" one encountered universally in Negro fiction.

If the five plays and half a dozen novels which appeared this year dealing with color prejudice are bellwethers of a new trend, the Negro is at last going to get a much deserved break. Lt. Brett Charles, the hero of *Deep Are The Roots*[1]—the only play of the group to achieve success—and Lutie Johnson, the heroine of Ann Petry's novel, *The Street*,[2] are especially representative of an emergent class of Negro professional men, teachers, artists, and government workers about whom our literature has been strangely silent. Of four of the books under review, the leading character in each is a person of intelligence, dignity, and courage. For these human rights, however, two of the characters pay by having their homes burned, another by being "framed," and the fourth with the necessity of committing a murder. Yet the significant thing is that these people, except perhaps in the case of Miss Petry's heroine, are not defeated; they go on fighting; there is hope for them—and hence for us.

[1]By Arnaud d'Usseau and James Gow. Scribner, 1946. $2.50.

[2]Houghton Mifflin, 1946. $2.50.

One might argue, as the drama critics did in reviewing *Deep Are The Roots,* that Brett Charles—a university-educated Southern Negro who serves in the Army as a first lieutenant—is not typical of his race: that what happens to the mass of Negro workers is more important than the revolt of a few intellectuals. In a preface to the published version of the play, the authors discuss, with a good deal of common sense, this whole problem of typicality. It is important because it has come to be an overworked criterion. Is there such a person as a "typical" white man? A "typical" college graduate? A "typical" army officer?

> The people in the world and the forces they represent [the authors write] are not "typical." They are, every one of them . . . pretty special. Beyond this fairly obvious truth, a play is intended to be more than a document; if it's a good play, it's a revelation. But revelation—even of the most general truth—can be achieved only by dramatization of the special, the exceptional, the highly specific. Indeed, if the demand for typicality were heeded, the world would reject nine-tenths of its great literature.

Ironically, the critics considered the situation and characters in this play untypical for a story involving Negroes, but Hollywood will consider it untypical because it deals with the Negro (in a serious way) at all. Typicality depends upon where you stand in society and in history. To the artist, in whose work history is sometimes adumbrated, any particular situation is typical enough if it serves to illustrate a general truth. And the truth, as it concerns the Negro on at least the intermediate level of society, is changing. The day of poverty-stricken Willie and happy-go-lucky Josh as exclusive representatives of their race is passing. This is not to say that ignorance and poverty are not the lot of the majority of Negroes, or that lynching bees are no longer popular in the South. It is proof, however, that Uncle Tom has at last given up the ghost, that our authors are recognizing the "untypical" Negro to be quite as much a victim of the caste system as his less fortunate brothers.

I think it may be said that the American Negro is one of the most difficult of all subjects for a novel. He is the object of conditioned attitudes which make him, not a man, but a member of a race, inseparable from his heritage as no other people are. The writer must deal as much with the myth as the man. Can he be blamed for solving a "typical" problem—as Lillian Smith solved it in *Strange Fruit*—in a manner which pleases the Northerner's smug sense of superiority over the South's system of justice? The solution has become part of the myth.

Messrs. Gow and d'Usseau's play not only fails to offer a ready-made solution to color prejudice, but fails—in its particular approach to the problem—in a challenging, skilful, and liberating way. Lt. Brett Charles is a hero to his fellow Negroes, but a threat to the *status quo* of the caste system. He is befriended by the two white daughters of his mother's employer, and framed by their father, who charges him with theft. The incident causes so much ill feeling in the town that Brett's value to his people is lost.

We do not know what happens to Brett, any more than we know what becomes of Nora in *A Doll's House*. I mention this because it is another point at which the play ran afoul of the critics. Brett is in love with a white girl—his childhood playmate, who also happens to be the Senator's daughter. Is marriage the answer? In Brett's own reasoning, it would merely solve the problems of two people, when what begs to be solved is the problem of two races. Should he remain in a town where he has been condemned? Should he go North, leaving behind those most in need of his help? The curtain falls, so to speak, on this question mark. Yet the play is not defeatist. Significantly, when Brett finds himself again on the black side of the wall, there are white persons with him.

> For the playwright [the authors state] it is enough . . . to ask the daring question, to force the audience to face, in emotional terms, those aspects of reality that many of them prefer to ignore. It is enough to define in dramatic terms the forces for good and evil which on every side are doing battle for our moral, social, and historical allegiance.

In a sense, the play is like a symphony in which the main themes reach a climax but are never resolved, and Brett's tragedy is all the greater for being suspended at the center of a complex of social frustrations rather than at the end of a rope. In a drawing room comedy this would never do, but with *Deep Are The Roots* it is appropriate. The authors have posed a problem for which society itself has found no easy solution.

There is no question here of sympathy. The intelligent author, whether he is Negro or white, can no more write objectively about the feudal and delinquent institutions which enslave the colored races than the early Christians could have written objectively about Caesar, or the Jews about Hitler. Inevitably, when you deal with prejudice you become a propagandist. The difference between "new" authors like Gow, d'Usseau, and Ann Petry, and such classical Southern regionalists as

Faulkner and Caldwell, is certainly not one of sympathy but of approach. Regionalism is, by and large, a closed system; it affords, perhaps, a greater illusion of reality; it poses problems that are usually simple, localized, and within the framework of a system which is taken for granted. Likewise, it furnishes answers in terms of the mores of the system. It is when you give a character dignity beyond the folk dimensions of the region that his future is difficult, for he moves into a world where the old answers do not apply. This is why a novel about a Negro who is lynched is often aesthetically more satisfying than one in which he is not. In the one case the problem is "solved" by society and hence, in a highly ironic sense, by the author. In the other it is merely passed on to the reader, where it remains—like the Negro himself—a fugitive in his conscience. The story lacks the "happy ending" at the gallows.

Something of this indecision is experienced in Ann Petry's *The Street*, a story of New York's Harlem. I think it can be said, without criticizing the major achievement of the book, that her tragedy lacks a sense of the inevitable that we find in Richard Wright's *Native Son*, and the revealing dialectical statement of the "race problem" that we get from *Deep Are The Roots*. Miss Petry's tragedy is enacted more on the level of the adventitious and contingent, and one does not feel that her heroine's commission of murder stems from any thematic necessity of the novel, although it is convincing enough under the circumstances. Miss Petry is trying to show how segregation ultimately defeats the best in people, just as surely as it brings out the worst. The "street"—symbol of Harlem—is the villain, and the heroine, Lutie Johnson, is one of its more tragic victims. It is the "street" against which she struggles in her fight to live a decent life, which conspires against her and indirectly drives her to kill. Mrs. Hedges, the "madam"; Jones, the lecherous janitor and Min, his washed-out "wife"; Junto, the white saloon keeper; Boots, the dance band leader—all are products of the street.

Miss Petry underscores her meanings with action rather than editorials, and avoids the sentimentalization of character which one finds in such a "protest" writer as Steinbeck. With the exception of the heroine, her characters are not pleasant people, least of all Junto, the white "protector," fixer, and general friend of the colored man. Junto is not so much a symbol of white oppression as of parasitism, feeding on the Negro's need for intercession with the outside world. He shares his colored friends'

obscure and sordid beginnings, their struggle to survive, and it is largely the accident of color that gives him power over their lives. He can make or break a local politician, a colored dance band, a bookie, a "madam." Lutie Johnson's final tragedy is to fall within his orbit of influence. She kills rather than give in to him. But, ironically, it is a member of her own race—one of the men whom Junto "made"—who dies. She is free of the street at last, but only as a fugitive. What happens to her? We are not told. There is no retributive justice; for what, precisely, is her crime, except that she is black in a white man's world? A tree grows in Harlem, too, Miss Petry tells us, but it is less likely to survive.

It would be good news to be able to report that the remainder of the fiction crop measured up to the Gow-d'Usseau, and Petry, pace-makers. But unfortunately, going from these to such novels as Donald Joseph's *Straw in the South Wind*, Mark Harris' *Trumpet to the World*, and Clifton Cuthbert's *The Robbed Heart* is an experience best compared to enrolling in the Delehanty Institute after graduating from Columbia. All three, in a sense, are built around the miscegenation theme, with the authors having about as much trouble unraveling the consequences of interracial love as the characters. Mr. Cuthbert's novel[3] fails completely, it seems to me, in attempting to show the failure of a white boy's love for a Harlem girl, chiefly because it is enacted on such a dilettante level, and I think the less said about it the better. Mr. Joseph's curiously old-fashioned and magnolia-scented novel of the South[4] is remarkable chiefly for its excellent portrayal of the caste system as it exists in relationship to the white aristocracy. His heroine is a wealthy young white woman whose befriending of a Negro girl brings a crisis in the town similar to that of *Deep Are The Roots*. The Negress is the acknowledged mistress of one of the town's leading white citizens, and mother of his child. When he commits suicide, she is tried for his murder, and acquitted, only to be threatened by a mob from which she is rescued by her white benefactor. Mr. Joseph is making the point that the South, still being a land of diplomacy, will tolerate covertly a relationship which it will not condone openly.

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[3]*The Robbed Heart*. By Clifton Cuthbert. L. B. Fischer, 1945. $2.50.

[4]*Straw in the South Wind*. By Donald Joseph. Macmillan, 1946. $2.50.

A Southerner himself, Mr. Joseph is palpably indignant at the treatment his people have given the Negro; but as a good Southerner he is also opposed to interference on the part of Yankee reformers. One of his minor characters is an obnoxious firebrand from Boston who serves as a straw man for his thesis that the race problem will best be solved by the *noblesse oblige* of the enlightened Southerner. If this is the "straw" in the South wind, one is tempted to say that it has blown somewhere out to the Gulf of Mexico, for the novel takes place at the turn of the century and the intervening forty years have not appreciably improved the Negro's lot.

Mr. Joseph's novel is frankly romantic in its approach to a state of affairs which he himself deplores. Nowhere does he suggest that the future of the Negro is tied up with the prosperity of the South, that the marginal poor-whites who persecute his Negroes are victims themselves of the South's boll weevil mentality, that prejudice thrives most where people lack economic security. While this may not properly come within the province of literary criticism, I should like to suggest that the current drive of labor unions to organize the South is a more hopeful sign than (a) well meaning novels; (b) petitions signed by college professors; and (c) the good intentions of Southern intellectuals. This campaign is "Northern interference" pretty much as the abolitionist movement was, and no one need apologize for it. Furthermore, it promises to succeed. It may not cure all the South's ills. But it is more than a straw in the wind; it is a bale of hay in a hurricane. Perhaps it is unfair to criticize Mr. Joseph for a book he did not write, but one wishes he had put his sympathies and skill at the service of a more contemporary statement of the problem.

If the average fictional Negro is doomed to fail, Mark Harris' Willie Jim, in *Trumpet to the World*,[5] is bound to succeed. As the story ends, the young Negro soldier is awaiting trial by court martial for striking (justifiably, in the reader's eyes) a Colonel. Ordinarily, we would give up hope and close the book on a note of despair. But in Mr. Harris' remarkable novel—remarkable chiefly for its naiveté—we look forward to the intervention of high-priced legal counsel and give a sigh of relief. We have already been asked to accept the following facts about Willie

[5]Reynal and Hitchcock, 1946. $2.50.

Jim's career: in his trek North he is given a ride by a young Southern white girl who takes him home, installs him in the ancestral estate, and marries him; although unschooled, he learns enough reading and writing from his wife to become a successful writer; having a wife of independent means, he is never at a loss for bail when he breaks the white man's law and on one occasion—this is hardest of all to believe—a publisher sends him money. In short, there are more guardian angels hovering around Willie Jim than there are two-dollar bills at a race track.

If *Trumpet to the World* did not have a certain lyrical freshness about it, a warm sympathy for its characters, an almost guileless faith in its message, it would be preposterous. As it is, it is merely an unlikely story written out of the sincerity of Mr. Harris' youth, an invocation scrawled across the hard surface of our age that is not entirely without value as a statement of faith, if not of fact.

IDEAS FOR A NEW PARTY

Provisional Declaration of Principles
National Educational Committee for a New Party

Publication of this Declaration does not necessarily mean endorsement. It is published to start discussion of a timely subject. Letters are invited for "The Reader Writes" department of our magazine.

As we understand it, the National Educational Committee for a New Party is NOT *a party nor does it intend to become a party; it is undertaking to stimulate discussion of* IDEAS *for a new political alignment. Among members of the Committee, which was formed at a national conference in Chicago in the spring of 1946, are people active in the AFL and CIO and in co-operative and farm organizations, and intellectuals and other professional people.*

John Dewey is Honorary Chairman of the Committee. Temporary officers are: A. Philip Randolph, Chairman; Jack McLanahan, Secretary; Pearl Willen, Treasurer; Lewis Corey, Research Director; Mary Martinson, Administrative Secretary.

—THE EDITORS

The American people need a new political alignment and policy to secure satisfaction of their urgent economic, political and social wants, in a world where pressing inescapable problems call for progressive answers.

The Republican and Democratic parties demonstrate an increasing inability to meet these wants. Liberals in the Republican party are frustrated, while the New Deal is a spent force in the Democratic party.

A never-ending danger is present in the bi-partisan Congressional coalition of reactionary Democrats and Republicans. Progressive measures are adopted against the coalition's savage opposition. The coalition prevented adoption of legislation for fully effective reconversion and price control, for measures to encourage full employment and for fair employment practices, for an adequate housing program that is so needed by the American people. It has prevented adoption of anti-discrimination laws while crackpot groups inflame the racial and religious hatreds that can explode in fascism. It has opposed measures of a progressive foreign policy to make the world safe from war.

The American people need a new people's movement with a policy of basic economic reconstruction for economic security, human welfare and freedom. They need principles and a program to meet the challenge of our modern age to build, out of the achievements of science and technology and of American equalitarian traditions, a new world of greater equality, liberty and justice.

The Great Challenge

The achievements of science and technology can make humanity's dream of the good life for all come true. It is no longer necessary that any human beings should be ill-fed, ill-clothed, ill-housed, overworked; that there should be unemployment and want in the midst of plenty; that people should live in economic dependence and insecurity, ignorance and ugliness.

Our productive forces have so multiplied, and continue to multiply, that they can gratify *if fully used* all basic material human wants. Machines that

move with scarcely the touch of a human hand are constantly being made more efficient, while new inventions in the fields of electronics, of synthetics and plastics are steadily increasing our capacity to produce an abundance of the good things of life. The productive forces will be able to turn out a still larger flow of goods and services to meet human needs with the coming economic application of atomic energy and photosynthesis, which will unlock for men's use the mysteries of nuclear and solar energy.

With this tremendous and increasing productive capacity we can easily end poverty. We can do more: we can rebuild cities, towns and villages, whole regions, remold the American environment into areas of convenience and beauty in which freer people co-operate for nobler living. Increasing leisure, and the means to enjoy that leisure as one desires, is possible for everyone: a life of independence, moral worth and dignity for all men and women.

Yet still men and women are tormented by unemployment and insecurity, and by the *fear* of unemployment and insecurity. Starvation and misery stalk most of the world's peoples. Americans have jobs, but they ask, "When will the next depression come?" Humanity lives in dread of a more destructive atomic war as apprehension grows that the new effort for world cooperation and peace may fail.

Mankind is caught in a crisis of institutions and ideas because of failure to adjust them to changes wrought by scientific and technical-economic developments. This crisis is the first universal crisis since the breakdown of feudalism and the emergence of capitalism.

Social change speeds up while progressive ideas and action lag. The depression of the 1930's was a collapse of economic institutions that war only temporarily saved. Fascism is a collapse of human moral values, a monstrous reaction against the ideals and practices of liberal democracy. War ends but the danger of war becomes worse and the crisis of institutions and values remains. It is either-or: Either the achievements of science and technology will be used, through new ideas, new political alignments and new institutions, to build a world of greater security, freedom and peace, or they will be used to destroy man's world.

There is the challenge! We must develop the ideas, the people's movement and the will to meet that challenge now.

I. DOMESTIC POLICY

There must be well-paid interesting work for all who want work and need work. The economic wastes of unemployment are tragic: in the ten years of the depression of the 1930's at least $250,000,000,000 *more* of goods and services could have been produced if the unemployed had been kept at work. Still worse is the human degradation of unemployment, for there is not much independence and dignity for the man or woman who wants and needs work but cannot get it.

1. Prosperity or Depression?

War brought work for all who wanted work. Because of full employment and production for war the American people, in five years' time, nearly doubled the physical output of goods: and this with 12,000,000 workers in the armed forces. Because of full employment and production for war the civilian Americans enjoyed higher material

standards of living than they did in the peace-depression years of the 1930's.

Can only war bring jobs for all? But employment for war, however necessary, is barbarism. We need full employment for *peace!*

Yet never in the past 100 years has American industry been able to provide jobs for all in peacetime, not even during periods of the most flourishing prosperity. And prosperity always crashed into depression with its enormous unemployment. Neither monopoly Big Business nor the New Deal government was able to end the depression of the 1930's. It must be remembered that 10,000,000 people were still unemployed when war came in 1939.

The war proved to the American people that they can solve the problem of production. It proved that we can *now* produce enough to supply every American family, rural and urban, with a minimum yearly income of $3,000 to $4,000 (at 1941 prices) — *providing there is continuing full employment with the full use of productive resources.*

What interferes with realization of the economic plenty that is possible with full use of our resources is the "boom and bust" cycle which is inherent in our economic system. Unless we end that cycle a new depression will again occur in the near future.

But a new depression would unleash dark forces of reaction, intolerance and chaos. It would bring economic disaster not only to us but to other nations as well, and make impossible world co-operation and peace. There must be no depression!

2. Program for Action

Labor, the farmers and small businessmen, salaried employees and professionals, the consumers must press for action to sustain prosperity and prevent depression. As a program, around which to organize for action to achieve the economic and human welfare potential in our great productive resources, we suggest the following basic measures:

1. *Co-operation of union labor, management and the public to insure prosperity*

Co-operation for a high-wage, low-price and low-profit policy is needed to bring and keep prosperity. Only such a policy can achieve the full consumption without which full production and employment are impossible.

Unless there is co-operation for production and abundance among all useful functional groups there will be scarcity, group warfare and breakdown. A new economic policy is needed to promote co-operation for production. We might well experiment with industry councils (including public representatives), bound together in a national economic council (including the farmers) with government participation. Co-operation should move upward on different and successive functional levels.

2. *An increasing share for farmers in prosperity through a progressive farm policy*

Although price stability of farm prices is necessary for the farmers, a progressive farm program must go beyond price policy. Too much reliance on prices makes farmers victims of the "boom and bust" cycle.

The farmers need more co-operative electrification, an extension of farm credits, crop insurance, soil conservation and improvement, and lower prices for agricultural implements and materials. They need a larger share of the

move with scarcely the touch of a human hand are constantly being made more efficient, while new inventions in the fields of electronics, of synthetics and plastics are steadily increasing our capacity to produce an abundance of the good things of life. The productive forces will be able to turn out a still larger flow of goods and services to meet human needs with the coming economic application of atomic energy and photosynthesis, which will unlock for men's use the mysteries of nuclear and solar energy.

With this tremendous and increasing productive capacity we can easily end poverty. We can do more: we can rebuild cities, towns and villages, whole regions, remold the American environment into areas of convenience and beauty in which freer people co-operate for nobler living. Increasing leisure, and the means to enjoy that leisure as one desires, is possible for everyone: a life of independence, moral worth and dignity for all men and women.

Yet still men and women are tormented by unemployment and insecurity, and by the *fear* of unemployment and insecurity. Starvation and misery stalk most of the world's peoples. Americans have jobs, but they ask, "When will the next depression come?" Humanity lives in dread of a more destructive atomic war as apprehension grows that the new effort for world cooperation and peace may fail.

Mankind is caught in a crisis of institutions and ideas because of failure to adjust them to changes wrought by scientific and technical-economic developments. This crisis is the first universal crisis since the breakdown of feudalism and the emergence of capitalism.

Social change speeds up while progressive ideas and action lag. The depression of the 1930's was a collapse of economic institutions that war only temporarily saved. Fascism is a collapse of human moral values, a monstrous reaction against the ideals and practices of liberal democracy. War ends but the danger of war becomes worse and the crisis of institutions and values remains. It is either-or: Either the achievements of science and technology will be used through new ideas, new political alignments and new institutions, to build a world of greater security, freedom and peace, or they will be used to destroy man's world.

There is the challenge! We must develop the ideas, the people's movement and the will to meet that challenge now.

I. DOMESTIC POLICY

There must be well-paid interesting work for all who want work and need work. The economic wastes of unemployment are tragic: in the ten years of the depression of the 1930's at least $250,000,000,000 *more* of goods and services could have been produced if the unemployed had been kept at work. Still worse is the human degradation of unemployment, for there is not much independence and dignity for the man or woman who wants and needs work but cannot get it.

1. Prosperity or Depression?

War brought work for all who wanted work. Because of full employment and production for war the American people, in five years' time, nearly doubled the physical output of goods: and this with 12,000,000 workers in the armed forces. Because of full employment and production for war the civilian Americans enjoyed higher material

standards of living than they did in the peace-depression years of the 1930's.

Can only war bring jobs for all? But employment for war, however necessary, is barbarism. We need full employment for *peace!*

Yet never in the past 100 years has American industry been able to provide jobs for all in peacetime, not even during periods of the most flourishing prosperity. And prosperity always crashed into depression with its enormous unemployment. Neither monopoly Big Business nor the New Deal government was able to end the depression of the 1930's. It must be remembered that 10,000,000 people were still unemployed when war came in 1939.

The war proved to the American people that they can solve the problem of production. It proved that we can *now* produce enough to supply every American family, rural and urban, with a minimum yearly income of $3,000 to $4,000 (at 1941 prices) — *providing there is continuing full employment with the full use of productive resources.*

What interferes with realization of the economic plenty that is possible with full use of our resources is the "boom and bust" cycle which is inherent in our economic system. Unless we end that cycle a new depression will again occur in the near future.

But a new depression would unleash dark forces of reaction, intolerance and chaos. It would bring economic disaster not only to us but to other nations as well, and make impossible world co-operation and peace. There must be no depression!

2. Program for Action

Labor, the farmers and small businessmen, salaried employees and professionals, the consumers must press for action to sustain prosperity and prevent depression. As a program, around which to organize for action to achieve the economic and human welfare potential in our great productive resources, we suggest the following basic measures:

1. *Co-operation of union labor, management and the public to insure prosperity*

Co-operation for a high-wage, low-price and low-profit policy is needed to bring and keep prosperity. Only such a policy can achieve the full consumption without which full production and employment are impossible.

Unless there is co-operation for production and abundance among all useful functional groups there will be scarcity, group warfare and breakdown. A new economic policy is needed to promote co-operation for production. We might well experiment with industry councils (including public representatives), bound together in a national economic council (including the farmers) with government participation. Co-operation should move upward on different and successive functional levels.

2. *An increasing share for farmers in prosperity through a progressive farm policy*

Although price stability of farm prices is necessary for the farmers, a progressive farm program must go beyond price policy. Too much reliance on prices makes farmers victims of the "boom and bust" cycle.

The farmers need more co-operative electrification, an extension of farm credits, crop insurance, soil conservation and improvement, and lower prices for agricultural implements and materials. They need a larger share of the

consumer dollar through reductions of processing and distribution costs.

The problem of farm surpluses cannot be solved through exports to foreign markets, for which the American farmer has been waging a losing battle. It can be solved only through a planned program to encourage greater and more varied food consumption, the diversification of agriculture in surplus-crop areas, such as the cotton regions, and increasing use of surpluses for manufacture of synthetics and plastics.

An expanded farm security program must work to transform tenants and sharecroppers into free owners of their own farms or free partners in co-operative farms. In a liberal democracy the prevalent form of farming should be the family-type farm or independent co-operative farms in the field of large-scale agriculture. Free farmers can get the benefits of collective action through the use of co-operatives of all kinds, including the purchase, leasing and marketing of commodities. Legislation is desirable to discourage corporation farming and other forms of absentee landlordism, with a land tax to make unprofitable the speculative ownership of farm lands.

More regional projects of the TVA type are needed to develop backward agricultural regions. A network of small industries, especially under co-operative ownership, should spread throughout the farm regions to absorb surplus agricultural products and surplus agricultural labor. Greater regional economic balance, in the form of decentralization of industry and the industrialization of over-agricultural regions, is imperative to provide the rural population with larger economic and cultural opportunity.

3. *An increasing share for workers in industry's earnings; retention and strengthening of labor's gains*

Higher wages and shorter hours, made possible by constantly increasing productive efficiency, are basic elements of enduring prosperity since they contribute to the greater consumption and leisure which alone can support the greater production of goods and services.

The welfare of all useful groups in the community, not the welfare of labor alone, is promoted by higher wages, for workers spend their money on the community's output of goods and services. Community welfare is recognized directly in the new stage of collective bargaining which ties in higher wages with a low-price and low-profit policy.

Working hours can go down and wages go up, moreover, as increasing industrial efficiency yields a production of constantly more goods and services with constantly smaller amounts of human labor. Hours worked fell from 80-70 hours weekly in 1870 to 40-35 in 1940; they can fall to 30 hours weekly, and fall again, as the new technological revolution works its productive marvels.

Democratic equality calls for abolition of discriminatory wage differentials of all kinds and for industry bargaining and agreements to implement their abolition. It calls for a guarantee of the worker's right to the job and to the income security of full employment.

There must be no legal limitations on the freedom of labor unions to carry on their work. Bargaining can only be collective, the individual worker is helpless against the employer. Labor is not free if limitations are imposed upon its right to organize, to bargain collectively and to strike. If the unions abuse their rights and power the correction must come from the liberal democratic

use of intelligence and mediation, not by crackdowns. Limitation or suppression of labor's rights is likely to prove the beginning of fascism.

Unionism and collective bargaining are the foundation for constitutional democracy in industry. This democracy becomes more meaningful as labor's rights grow to include a voice in industry's councils through progressive union-management co-operation.

Labor's welfare and freedom are indispensable for the community's welfare and freedom. The reverse is also true and important, for labor lives and works in the community. Labor's problems require community understanding and support for their solution. Hence labor unions cannot afford practices that antagonize or injure the progressive community. As the most powerful mass organizations the unions must develop a growing sense of the responsibility of power in relation to union practices and community needs. Union labor is a bulwark against reaction only when it is democratic and thinks and acts beyond pressure-group terms. Otherwise labor invites opposition and disaster that can lead to total suppression by a totalitarian state.

4. *An increasing share in economic welfare for salaried employees and professionals*

The welfare of white collar workers, of technical-managerial employees on intermediate and lower levels, and of professional people is of increasing importance. Their numbers multiply, while the number of industrial wage-workers tends to decrease as the technology of industry becomes more automatic and complex and rising living standards call for more performers of professional services.

These useful functional groups cannot promote their welfare *against* the interests of workers and farmers. Their welfare can be promoted only on condition that the primary incomes of farmers and workers keep on rising through continuing full production, on which, in final analysis, depends the welfare of all people engaged in useful occupations.

White-collar workers need the self-organization and self-activity of unions. The professional organizations should broaden their horizons to include larger social understanding and social action. The scientific, technical-managerial and professional people in the new middle class must decide to use their skills, talents and power to co-operate in economic reconstruction for security, freedom and peace. Or they will be forced to degrade their skills, talents and power to serve tyranny and war.

5. *Encouragement for small independent businessmen who combine ownership with management*

Free enterprise is most active in the field of small business. Yet the statistics of failure among small business concerns are appalling. Monopoly oligarchs cry "save free enterprise" while they carry on practices that destroy the free enterprise of small independent business.

The strangling power of monopoly Big Business must be broken if small businessmen are to live. Taxation can be used to encourage independent business; public research projects should be set up to serve it; government war plants, where they are not converted into public corporations or sold to co-operatives, should be sold on easy terms to small independents.

Cultivation of friendlier, more understanding relations among small busi-

nessmen, labor unions and co-operatives will prove of mutual advantage.

The decline of small business shows it has no prescriptive right to survive. Most of the decline comes from development of large-scale industry. But much of it is a result of monopoly power-domination and the mistakes of small business itself. Small businessmen can survive only as they prove an economic and social justification for survival. They must co-operate to give greater service for economic progress and full employment.

6. *The encouragement and expansion of co-operatives*

Co-operatives function as a democratic way to replace and prevent exploitation and as a means of raising the standards of living of farmers and city consumers.

Co-operatives offer a means for people to solve economic problems on a local level without danger of top-down authoritarianism. Valuable government aid can be given to co-operatives, without danger of government control, by means of taxation and by making capital funds available to co-operatives at low interest rates. Such aid has been extended to private business through the Reconstruction Finance Corporation, and to certain types of co-operatives through the Bank for Co-operatives and the Rural Electrification Administration. The movement which operates under the misleading term "tax equality" spearheads an attack on non-profit co-operatives.

As a basic economic force for human welfare the co-operatives can become a yardstick of progressive labor relations. They promote friendly relations among nations through co-operative foreign trade which is independent of monopoly cartels.

7. *Use of government war plants to promote prosperity*

The war plants were built by public initiative, public money and public risk. They are not a product of private enterprise. Why then, should they be turned over to the private ownership of monopoly Big Business?

Some of the plants may be operated directly by government as yardsticks to achieve desirable economic objectives. The majority should be converted into public corporations, on the model of TVA but with inclusion of representatives of management, labor and consumers on the directorates. Smaller plants can be sold to independent business or co-operative interests.

Public ownership of the larger war plants, converted to peacetime uses, would realize at least four great benefits: (a) Supply to industry and agriculture a growing amount of cheap materials, including fertilizer for farmers and materials for low-cost housing, thus promoting economic expansion and prosperity. (b) Develop industrial research independent of monopoly profit and power, with the results freely available to American and foreign industry. (c) Strengthen the trends toward production directly for human welfare. (d) Limit the power of American monopoly to carry on aggressive, imperialistic struggles for foreign markets, since most of the war plants' productive capacity is in the basic materials (aluminum, magnesium, synthetic rubber) in which international cartels operate.

8. *A comprehensive program to rehouse the American people*

Americans today need upward of 15,000,000 new homes to live in comfort, decency and health. The building of these homes, together with construc-

tion of needed hospital, recreational facilities and schools, could keep America prosperous for many years to come.

Yet few efforts are being made for a comprehensive housing program. Neither public planning nor private enterprise is doing the job. What is needed is national, regional and local planning which unites the efforts of government on all levels, of architects, builders and manufacturers, of labor unions and co-operatives.

A comprehensive housing program would include adequate federal and state subsidies for substantial low-cost housing, measures to reduce building costs (including land costs) and the use of pre-fabrication in a way to prevent both unemployment among building trades workers and the fostering of new slums. All rural and urban slums must go. The country must be brought to the towns and the towns to the country through planning for decentralization in a more widespread distribution of industry. An equalization and increase of educational, recreational and health facilities is imperative, and the abolition of racial and religious discrimination. The public condemnation power and taxation should be used to get rid of obsolescent dwelling places and areas and to prevent speculative holdings of unused land.

Already there are enough garden cities and towns to show what can be done to build spacious, cheerful homes set in the midst of communities of life-giving, morale-building beauty: a constant joy and inspiration for the men, women and children who live there.

9. *Social security for everyone from the cradle to the grave*

An adequate social security system will ensure everyone, from the cradle to the grave, against the hazards of illness, accidents, unemployment and old age. A majority of the people today are propertyless. But early liberals, among them Thomas Jefferson, argued that ownership of property brought individual security and liberty. Hence social security under democratic control supports human individualism and liberty.

The requirements for adequate social security are these: coverage for all groups of people, including the self-employed; substantial unemployment benefits and old-age and survivors' benefits, with optional retirement at age sixty; a system of medical insurance and hospitalization. In the operation of health insurance there should be freedom of choice for physicians and patients, with encouragement of group and co-operative medicine. Expanded facilities for medical education are needed to eliminate the shortages of doctors and nurses. A widespread program of nutrition and temperance education is imperative to cultivate the most healthful choice of foodstuffs and beverages. Union-industry welfare funds are a desirable grass-roots amplification of social security.

10. *Public planning, spending and taxation to stimulate prosperity*

Planning is necessary on all levels in the complex world of today. Yet planning in its larger aspects is blocked and distorted by monopoly's economic and political power.

We must press *now* for the organization of research and planning councils for the investigation and survey of America's economic needs. Public planning on this level would aim constantly at the problem of the gap between consuming power and production potential. These national councils would provide the areas of information and the mechanisms indispensable to genuine

economic planning, as well as a fund of material demonstrating the conflict between monopoly control and full production.

Because the economic system does not distribute enough consumer purchasing power to allow consumption to keep up with production, we must press for the *emergency* use of government spending on public works to help avert depression and to help bring recovery from depression.

To reduce the unequal distribution of wealth and income, which impairs the ideals and practice of liberal democracy and which is a basic factor in the economic unbalance, over-saving and under-consumption that generate depressions, higher taxes are necessary on the larger incomes and lower taxes on the smaller incomes, with more stringent taxation of speculative and inheritance gains.

11. *Rational conservation and use of natural resources*

Rational conservation and use of natural resources calls for a larger program of flood control, soil conservation, and reforestation. It also requires the rebuilding of regions ruined by quick-and-big-profit exploitation.

Conservation should encourage the most rational use of resources. We can step up research, for example, to find fuel-and-power substitutes for petroleum and coal, and so conserve these resources for their immense variety of exhaustible chemicals.

There is pressing need, moreover, that two principles, until now largely ignored, be built into the national, regional and local program on conservation. The principles may be said to rest, in the words of a TVA representative, "on the fact that men are creatures of the land, and that there is an organic relationship between men and the natural world of soil, plants and other animals. In our scientific and industrial civilization the great majority of the people live as if this were no longer true, and are doing things which are rapidly cutting away the natural foundation from under our civilization."

The first principle is that citizens, especially the landowner, be educated to a responsibility to manage and use the land in the community interest as well as the individual interest. It is fallacious to assume that government must subsidize *all* conservation not immediately profitable for the private landowner. This doctrine will ultimately bankrupt the land and further diminish intelligent understanding of the land and of its potentialities and needs.

The second principle is that the health of the land as a whole, not merely the supply of its constituent "resources," needs conserving. Land, like other things, has the capacity for self-renewal (that is, for permanent productivity) only when its natural parts are present, and functional. It is a dangerous fallacy to assume that we are free to discard or change any part of the land we do not find "useful" to immediate economic gain (such as flood plains, marshes and wild floras and faunas). Unintelligent and violent modification of the natural order has repeatedly disorganized the land's capacity for self-renewal.

Conservation policy does not, as yet, deal with these basic principles of harmony between land-use and land-health. It must do so if we are to achieve a stable and humane land-economy.

12. *More and better education for living and social action*

Our economic support of education is not enough. Throughout the educa-

tional system there is imperative need for higher teachers' salaries and for smaller classes. More use of Federal grants-in-aid (without, however, bureaucratic control) is urgently needed for schools on all levels to realize educational equality for states, for urban and rural communities, and for racial minority groups.

The American people want an educational democracy in a greater economic, political and social democracy. They are moving toward universal higher education through the combination of an increasing economic surplus, rising family incomes and more public support of higher education. The idea that most people, or any large number of them, are "unfit" for higher education is an aristocratic hangover or a support of totalitarian domination by intellectual and bureaucratic "elites."

An increase in the quantity of higher education must be accompanied by changes in quality to strengthen its liberating creative elements. We need a full-orbed unification of the intellectual, vocational and moral aspects of education for living. This must replace the hidden pseudo-vocationalism and empty or up-in-the-air liberalism which now characterizes much of our higher education, whose object seems to be to fit human beings as cogs into a machine. The ancient aristocratic dualism between vocational and liberal-arts training must go. Farmers, workers and clerks, not only "intellectuals," have ability and a right to understand the social relations in which they live, and to develop their individuality fully through education and activity for the appreciation and realization of the beauty of living.

We need education that is a growing activity that carries on beyond the school; that stresses the reacting relation between experience and education; that cuts through dogmas, vested interests and prejudices to the social-human realities and needs of society. We need an education that infuses morality with scientific intelligence and scientific intelligence with morality to prevent the appearance of "educated barbarians" and to combine the rational scientific approach with human moral emphasis on the supreme worth and dignity of the individual.

Art activity and appreciation are an essential part of the beauty of living. They are also essential for the adequate integration of effective ideas, motives, emotional responses and loyalties. They serve as a means for the progressive articulation and expression of basic social and human interests. Hence serious efforts must be made by the new people's movement to foster art on all levels in education and living. It must, in addition, develop theatre, movie, photographic, literary and other art projects to make effective use of economic, social, and psychological materials for creative expression.

13. *The removal of all restrictions on civil and human rights*

Removal of restrictions on civil liberties and human rights is necessary if liberal democracy is to live and grow. Our race relations, especially the treatment of Negroes, are the ugliest aspect of American civilization and subject our country to attacks throughout the world. All political, economic and social discriminations against racial minority groups must go to insure full equality of opportunity in life and work.

Civil liberties require the freest expression of criticism and new ideas. They depend today, in large measure, on freedom of the press and radio. But

chain newspapers and chain broadcasting systems, and joint radio-newspaper ownership, set up monopolistic controls that limit freedom. These controls must be broken through effective enforcement of a policy of regulation for freedom. Increasing independent ownership, including ownership by labor, farmer and co-operative organizations and by educational institutions is needed.

14. *Opposition to militarism as a danger to freedom and human welfare*

Militarism is a menace to liberal democracy and helps to prepare the way for totalitarianism and to support it.

While, until universal disarmament comes, preparations for national defense may be necessary, the imposition of universal peacetime conscription is neither democratic nor is it effective defense in the atomic age. Our country, and the world must, for security, move beyond reliance upon the traditional methods of power politics and militarism, which are suicidal in the world of today.

American democracy owes much to the relative absence of a large military establishment. During the war the military tried to usurp civilian authority and functions. All such usurpation must stop; especially is this urgent in any national commission set up for the development and regulation of atomic energy.

3. Against Monopoly Reaction!

Yet the economic and political forces of reaction are resisting, they will continue to resist, the realization of measures to broaden the life, liberty and happiness of the American people. The driving force of reaction is capitalist monopoly.

Where is Free Enterprise?

Within the competitive capitalism of free enterprise there has grown up a monopoly oligarchy which today rules the economic system. Monopoly Big Business is a system in which a small group of giant corporations—from 4 in manufactures to 45 in transportation —control from one-third to nine-tenths of an industry's output. It is a condition of economic feudalism that mocks free enterprise, economic freedom and welfare.

Consider the postwar behavior of monopoly Big Business: It unloosed a campaign against the high wages with low prices and low profits which are needed for full production. Mergers and combines are being formed on a scale larger than in the 1920's. Monopoly is moving toward renewal of international cartels and imperialism. It drives toward destruction of the surviving elements of free enterprise.

Consider the power of monopoly Big Business: In the prewar years, around 1,500 giant corporations dominated industrial activity taking up to 70 per cent of *all* corporate profits. Monopoly grew stronger during the war, as anti-trust prosecutions were dropped and monopoly's "$1-a-year" men moved into the government's agencies for war production. More than two-thirds of the primary war contracts went to 100 corporations and another 100 corporations got most of the balance. In 1944 the 250 largest corporations operated two-thirds of America's manufacturing facilities. Monopoly—a handful of corporations — dominates mining, manufacturing, transportation, public utilities and banking. This concentration of economic power is unified through the interlocking of ownership and directorates, of industry and finance.

Free enterprise? Monopoly capitalism misuses the ideas of free enterprise to cover up its destruction of economic

freedom. For the manifestations of free enterprise are: widespread ownership of small productive property; a large number of small independent producers selling in a free competitive market where prices move freely in response to changes in costs, supply and demand; where no one producer or combination of producers is strong enough to control the market and fix prices or restrict production. But monopoly represents an overwhelming centralization of ownership and control in giant corporations that "regulate" markets, suppress competition, and fix prices. Monopoly pursues the opposite policy of truly free competitive enterprise which makes more money only as it produces and sells more goods and services. Monopoly is strong enough to restrict output and make more money through its policy of low output with high prices and higher profits, which means a *smaller* output of goods and services.

Free enterprise? But free enterprise meant the economic freedom of widespread democratic ownership of the means of livelihood in the form of widespread ownership of small productive property. This economic freedom largely existed in the America of the 1820's, when 80 per cent of the people owned productive property which they worked and from whose working they made a living. ***Today, however, upward of 85 per cent of the American people own no productive property but depend upon a wage-or-salary job for the opportunity to work and live.*** Capitalism "for the many" has become capitalism "for the few."

The earlier democracy of free enterprise is replaced by an economic oligarchy of monopoly domination. Ownership of corporations is concentrated in a small group: 75,000 big stockholders own 50 per cent of all corporate stock, 300,000 stockholders own upward of 80 per cent. This represents a monstrous concentration of parasitic absentee ownership, since the owners own but do not manage while the technical-managerial employees manage but do not own. Effective control is in the hands of an inner oligarchy of perhaps 25,000 key officers, big stockholders, and directors.

The monopoly oligarchs praise free enterprise while they bury it. They say to small stockholders: "What you own we control and do with as we like." They say to labor: "What you work we control and do with as we like." They say to farmers and consumers: "What you depend upon and support with your buying we do with as we like." You can take it or leave it!

Oppression and Economic Crisis

All useful functional groups of the people are oppressed by capitalist monopoly.

Monopoly oppresses workers by its opposition to unionism and high wages. Monopoly oppresses farmers with high prices for supplies the farmers buy and by paying low prices for products the farmers sell. Monopoly oppresses small businessmen with destructive competition and the high prices it charges for the materials small business has to buy, while concentration of profits in giant corporations means smaller or no profits for business independents. Monopoly oppresses functional managers and technicians through restriction of output and a profit-at-any-price policy which frustrates their craftsman urge for greater efficiency and greater production.

Monopoly oppresses the people as a whole by restriction of production, of

consumer purchasing power and of consumption.

Moreover, opportunities for profitable new investment are limited by monopoly, which uses little outside investment capital because it expands primarily by reinvesting part of its profits. Yet the 1,500 dominant monopoly corporations distribute upward of $5,000,000,000 yearly in interest and dividend payments, four-fifths of which go to the small number of big stockholders who save for investment most of their large incomes. These payments are the major source of "over-savings," of the unusable surplus capital which, because it is not invested, upsets the economic system and prevents continuing full production and full employment.

Hence monopoly Big Business is the basic cause of the economic crisis of our age. The crisis manifests itself in the increasing gap between consumption and potential production, and in the depressions and unemployment which create want in the midst of plenty.

The crisis is not one of a "mature economy," as argued by economists who built up a theoretical justification for New Deal spending. In terms of human needs a great economic expansion is necessary, and possible, to supply the American people with more goods and services and more leisure. The economy is mature only in a *relative* sense, on the basis of capitalist *production and investment for constantly higher profits.*

Agreement is general that increasing profitable investment is the basis of capitalist prosperity. The great stimulants of investment have been: (1) Mechanization of old handicraft industries after the industrial revolution. (2) Development of wholly new industries, among them artificial gas, railroads, new materials like aluminum, electric light and power, telephones and telegraph, the automobile, radio; (3) Industrialization of new regions—settlement of America's western wilderness, where millions upon millions of people settled on farms, built cities, plants and railroads, opened up mines; and, in smaller capitalist nations, the imperialist investment of capital in foreign backward regions.

These stimulants called for enormous and constantly larger amounts of new capital. Today, however, it is different. We have a huge industrial plant which renews itself, *and increases its productivity,* through depreciation and obsolescence reserves; no handicraft industries are left to mechanize; new industries develop neither as rapidly nor on so large a scale as in earlier years; and backward nations want no imperialism but economic independence and their own capital for industrialization. Hence the relative decline in opportunities for new capital investment. But new capital for investment piles up through interest and dividend payments on existing investment, especially in the monopoly areas, and the unequal distribution of income: primary causes of "over-saving" and "under-consumption."

This crisis of capitalism is basic. It marks a new economic stage where greater consumption is needed. Government spending to bolster consumer purchasing power is, except for emergency purposes, an escape from the major issue. Greater consumption must come from *within the economy* through permanent measures of economic reconstruction to bring profits down as productivity and production go up. Only as prices and profits go down while wages and the salaries of lower-

salaried employees go up can there be enough purchasing power and consumption to make possible full continuous production. Industry must distribute *more* income for consumption than for investment.

But monopoly Big Business sets a "break-even" point at 25 to 50 per cent of capacity, with high prices, which restricts output, consumption and employment, while profits become fantastic as output moves upward to 100 per cent of capacity.

Regulation and Monopoly Reaction

Monopoly, moreover, is authoritarian in organization and policy. It regiments industry, labor and society. Its reaction against economic freedom merges into reaction against political and intellectual freedom.

All government's anti-trust efforts to break up monopoly have failed: monopoly Big Business has grown stronger. All government's efforts effectively to regulate and control monopoly have failed: monopoly Big Business increasingly exercises an irresponsible oligarchical power that thwarts government and the people. The economics and politics of monopoly drive toward monopoly totalitarian states: as in Germany, where the administrative oligarchs of monopoly corporations merged into fascism.

The failure of government to solve the crisis through the breakup or regulation and control of monopoly Big Business is accompanied by failure of government spending and planning to solve the crisis. Planning and spending by bits-and-pieces cannot overcome the over-saving and accumulating deficiency of consumer purchasing power—the gap between consumption and potential production—brought on by monopoly production and investment for profit. Monopoly ownership and power resist government efforts to plan, to tax for social-economic purposes and to spend. This resistance calls forth more government controls and regimentation. But they do not work. The crisis goes on. It calls forth more government controls and regimentation that do not work.

The result is a monstrous mixture of "capitalism" and "socialism" that is neither free enterprise nor planning, with none of the advantages of either and all of their defects. In a "capitalist mixed economy" there is perpetual economic unbalance and political turmoil that calls forth an endless succession of government controls that do not work, that do not end the crisis.

A succession of bureaucratic controls that do not work, and do not end the crisis, will move toward totalitarian statism. Bafflement and despair bring loss of faith in the liberal democratic way of life, a drift toward acceptance of totalitarian ideas and the danger of a disastrous conflict between totalitarians of the fascist "right" and totalitarians of the communist "left."

Disaster can come from a policy that sums up all economic wisdom and needs in government "planning and spending" while it ignores the reactionary economics and politics of monopoly capitalism. The answer to monopoly reaction is a new economic policy of reconstruction for liberal democracy to reshape particular economic institutions for abundance, freedom and peace.

We must, in the words of Thomas Jefferson, "disbelieve that nothing can ever be devised more perfect than was established by our forefathers" . . . we must "dare to go forward, not backward."

4. For a Liberal Economic Democracy!

The reaction and crisis can be ended only by taking monopoly corporations out of private ownership and transforming them into public enterprises of various kinds to promote production and consumption. Economic freedom can be restored in the monopoly areas only by a new type of free enterprise *—the democratic public ownership and operation that constitute economic freedom in new institutional forms.*

The need for public enterprise in the monopoly areas is imperative, not only because monopoly is the basic cause of the crisis of our age, but because it tramples upon the liberal justification of the "rights of property" and "free enterprise" as agents of economic progress, individual security and liberty.

Property and Free Enterprise as Freedom

Monopoly property is a negation of the "right to property" as understood by earlier liberals, among them Thomas Paine and Thomas Jefferson. Property, for them, was a means to promote individual liberty, democratic security and human rights. The "right to property" was a right to individual functional ownership whose justification was, *"What I work I own and what I own I work."* Where property is no longer functional, as monopoly absentee ownership is not, and no longer serves liberal democratic ends, it must give way to public or co-operative property to serve freedom.

Free enterprise meant economic freedom against the strangling controls of mercantilism in the absolute monarchical state. Mercantilism subordinated economic activity to serve political ends: state power. The state set up monopoly enterprises and monopoly controls over economic activity: economic and political absolutism supported one another. The philosophers of free enterprise emphasized freedom from the state to promote the *economic* ends of production as property, individual welfare and liberty, operating through free competition in a free market. Hence the liberal limitation of state power.

It meant progress for a time, despite great inequality of economic and political freedom. But out of free enterprise monopoly arose to negate the right to property and to limit or destroy free enterprise as economic freedom. Private monopoly replaced state monopoly and now moves toward the neo-mercantilism of the fascist monopoly state.

The concepts of "property" and "free enterprise" as economic freedom are neither absolute nor unchangeable. It was the *free* in "free private enterprise" that brought economic and political progress. Free private enterprise must remain where *it is* free, where ownership is combined with management. But unfree monopoly enterprise must give way to free public enterprise for security and liberty.

Set-up of Liberal Economic Democracy

The crisis of liberal democracy is a crisis of *particular* economic institutions within it. Economic reconstruction for freedom must retain the basic liberal democratic procedures and values: a limited-power state within which flourish the free multi-party system to secure representative government and the voluntary consent of the government, the freedom of association on all levels, economic, political and cultural, the inalienable civil and human rights of the individual with which

governments cannot tamper. In short, economic reconstruction for freedom must retain *and strengthen* the diversity, pluralism and measurable autonomy of social groups, institutions and individuals which provide the conditions for free choice and action.

Hence the scope and forms of economic reconstruction are of crucial importance. Nationalization of industry in itself is neither enough nor desirable, for evidence is growing that nationalization and totalitarianism can support one another. Replacement of private capitalist monopoly with state monopoly is a revival of absolutism. A liberal economic democracy calls for a *limited* socialization of industry. It rejects the old orthodox Marxist and the communist conceptions of absolute collectivism in the form of total state ownership and operation of all economic enterprise, with its destruction of freedom in a new class-political despotism.

A liberal economic democracy recognizes that there is no automatic or dialectical process which will either avoid or transcend the dangers of bureaucratic statism. But it recognizes that economic, political and cultural diversity and pluralism are the indispensable framework of freedom. It emphasizes the need for the discovery and promotion of types of economic enterprise and of democratic administrative principles and techniques which provide for increasing participation of the citizen in the administrative as well as the legislative activity of economic and political institutions.

A liberal economic democracy is a free society whose economic set-up combines five major elements:

1. *Public enterprise, national, regional and local, in the fields primarily of natural resources, of large-scale industrial enterprises and of the great banks and related financial institutions now in the grasp of monopoly.* Public enterprises will not be centralized in the absolute control of a bureaucratic state. They will operate typically as public corporations, which function far more independently of the state than do departments of government under which the Post Office, for example, is administered. Public corporations are run as economic enterprises, they have operational autonomy and are not under civil service. They are autonomous institutions independent of the state except for over-all policy and planning. The utmost in administrative decentralization prevails for grass-roots control. There is full recognition of unionism and collective bargaining, and the right to strike remains even though the need for strikes may not arise. These public corporations will give adequate representation to all interested functional groups: technical-managerial staffs, the workers, farmers, and consumers. Consumer interests can be further safeguarded by independent Consumer Boards, as is being done in the liberal democratic socialism that the British Labor government is building up. In a liberal economic democracy the consumers will still have freedom of choice in a free market, only their freedom will increase with the increase of consumer purchasing power and of leisure. Profit in public corporations is limited to the needs of replacement and expansion. Their policy is production for human welfare.

2. *Private enterprise in the field of small independent business, where owners are not absentee owners but perform useful managerial functions.* Under a liberal economic democracy

the small businessmen are freed from monopoly exploitation and control. Their independence and prosperity will be promoted by public corporations, which operate in other fields and which, through unrestricted production, lower prices, raise purchasing power and stimulate greater prosperity. Under these conditions small business can live and flourish without the terrible exploitation of workers (and often of owners themselves) which is so often the case under monopoly capitalism. No business, big or small, has the right to exist unless it is beneficial to the people. Small independent business must set its objective as service to the people's economic and democratic needs: the only justification of a "right to property." A liberal economic democracy, moreover, has need and place for a free private enterprise that is truly free, and competitive, to prevent overwhelming concentration of power in a bureaucratic state. Independent enterprise is especially important in the economic activities that support the "opinion industries" — printing, publishing, broadcasting — where freedom of enterprise, individual and co-operative, will promote freedom of criticism and ideas.

3. *Free farmers operating use-owner family-type farms with an admixture of co-operatives.* Free working farmers are sturdily democratic. Collectivism of farms is economically unnecessary and politically undesirable as it means bureaucratic statism. In a liberal economic democracy all farmers will be free individual or co-operative farmers (over 2,000,000, or two out of five, are now tenants or sharecroppers). Landlordism will go, with use-ownership the only title to land. The new technology, which already is beginning to produce agricultural implements that make family-type farms more efficient and feasible, will be consciously slanted in that direction to enlarge the independence and incomes of farmers. Free farm ownership, individual and co-operative, will easily fit into democratic economic planning on all levels.

4. *Co-operatives of all kinds that are independent of the state except for over-all planning.* Co-operatives are growing. They will grow still more as, in addition to their economic benefits, it is increasingly recognized that co-operative voluntarism, individual participation and grass-roots self-government are sturdy supports of liberal economic democracy. Co-operative ownership is as much a form of no-profit ownership as public enterprise. Autonomous co-operatives are indispensable to economic reconstruction for security *with* freedom. Co-operatives can flourish especially in the "twilight zone" between big and small enterprises, which may be too big for individual ownership and too small for public ownership. They can flourish, too, in foreign trade and strengthen freedom of communication among nations. The scope of co-operatives will broaden from economic activities to include a larger share in the "opinion industries" and in activities for health, recreation, education and culture in general.

5. *Free labor unions that retain their autonomy and are independent both of management and of the state.* A combination of union management, industrial management and the state in one bureaucratic centralization of power is the basis of the absolute totalitarian state. Unionism represents the self-organization and self-activity of workers to protect and promote their in-

terests. Workers will remain workers in any new order of the early future, they will continue to need independent unions to protect and promote their interests, especially their interest in freedom: unions that are free to bargain and, if necessary, free to strike. The need to strike will surely diminish. But as a liberal democratic freedom the right to strike is in the same class with the right to change governments in a multi-party state: the right may not be used, if conditions are satisfactory, but the right is there for use if conditions go wrong. Independent unions act as one of the checks-and-balances on managerial and governmental bureaucracy. Unfree "unions" are a major support of serfdom in the totalitarian state. Free unions are a major support of freedom in a liberal economic democracy.

The combined operation of these five elements will liberate society from monopoly capitalist reaction. It will, within the framework of an invigorated political democracy, permit technology and industry to do the job of producing an abundance of goods and services to meet human needs. It will bring economic balance and security, production for consumption and welfare, self-determination and self-government in economic activity.

A liberal economic democracy plans. But there is no magic in planning; totalitarian states plan, too. Absolute bureaucratic planning is unnecessary and undesirable. An immense difference exists, however, between a *total planned* society and a *continuously planning* society, where planning is not absolute but conditional, relative and strategic, where planning proceeds on different levels and includes co-operative give-and-take. That is liberal democratic planning for freedom.

Planning within a liberal economic democracy will work, moreover, because no monopoly capitalist power exists to oppose and frustrate it. Economic institutions will work *with* planning, not against it. Direct government controls and regimentation will diminish as the transformation of monopoly corporations into democratic public enterprise assures economic balance and security, an end of the economic crisis and turmoil produced by the clash of private monopoly interests and the people's needs.

National economic planning will be limited to strategic factors of policy, price and profit, over-all investment, the introduction of large new industries, with supplementary resort to fiscal measures for desirable economic and social objectives. The "free market and competition" becomes truly operative as prices, production and consumption are freed from monopoly controls. The continuously planning policy of liberal economic democracy includes regional and local planning as well as national, with a functional working together of public, co-operative and private enterprise and planning.

Political, Economic and Individual Freedom

Political power is needed to achieve economic reconstruction. But it is imperative to conserve and strengthen the liberal democratic procedures and values, not destroy them. Dictatorship and force destroy freedom as bureaucratic state power and force become ends in themselves in a new tyranny.

A peaceful democratic achievement of political power by a new people's party is necessary. It becomes possible

as all useful functional groups unite against monopoly capitalism on a program of liberal economic democracy, which serves *all* useful functional interests. Destruction of political democracy to gain "economic democracy," as communism proposes and practices, ends up as the end of all democracy. Destruction of civil liberties to gain "economic security" ends up as insecurity, for individual security is impossible in an absolute state without civil liberties. Our objectives and practice must be infused with liberal democracy as moral end and social means. Communism is not a "higher form of democracy." It is no democracy at all.

The limited socialization, the economic and organizational pluralism, diversity and autonomy of a liberal economic democracy sets up institutional checks-and-balances on the state.

Within the new institutional relations the state remains a liberal-democratic representative state, limited in power. There is limitation, specification and decentralization of power on successive functional levels to promote the self-activity of institutions and individuals. The citizens of a liberal economic democracy will be in a position, much more than they are now, to speak up and be heard, to criticize, propose and decide, to act without compulsion from the oligarchs of monopoly capitalism or the oligarchs of totalitarian communism. They will be free to use creative intelligence to make man's increasing mastery over nature serve man, *not* monopoly, totalitarianism and destruction. They can use creative intelligence to develop techniques of mediation for rational peaceful solution of conflicts of interests on all levels.

The end of "laissez-faire capitalism" means the end neither of individualism nor of the liberal temper.

In a liberal economic democracy there is no necessary conflict between the identity of the individual and social identity. Man will be neither atomistic, in the sense of an unbridled "economic man" whose philosophy is, everyone for himself and devil take the hindmost; nor collective, in the sense of an anonymous "collective man" without an individual moral identity. The goal is free development of the individual as the condition for free development of every other individual's personality, creative activity and happiness.

In a liberal economic and social democracy, with its diversity within unity and its unity with diversity, it is possible for man the thinker and worker to become more liberal, more critical yet more tolerant. There will be wider, more significant co-operative participation of individuals in the economic, political and cultural activities that shape human life and destiny on the individual and the social level. Individual conscience and responsibility will not be swallowed up in the enslaving anonymous "collective responsibility" of an absolute state.

Man will be free to use the experimental scientific approach to serve truly human needs. Free consideration and determination of ends and means will prevail, with results freely checked against premises, interests and values. Liberation of fresh, variable individual qualities should bring an upsurge of initiative, enterprise and invention in all spheres of human activity.

The future is not frozen, it comes alive for free men and women to shape as they will to serve libertarian human values.

II. FOREIGN POLICY

The American people can be certain of one thing: domestic policy and foreign policy are today inseparable.

Only as we have world security against war can we carry on economic reconstruction for welfare and freedom.

Only as we reorganize economic institutions to maintain prosperity and beat down reaction can America mobilize its full strength for the organization of world co-operation, security and peace.

For World Co-operation and Peace

No nation, not even the United States or the Soviet Union, can give its people security against war except through universal world security.

It is imperative to implement the American proposal for an Atomic Development Authority which shall own and operate all uranium mines and uranium plants throughout the world, with power to carry on unrestricted inspection-and-control in every nation to guard against misuse of atomic energy for war; and at the same time to promote the peaceful economic application of atomic energy. The proposal is a tremendous step forward. Its implementation would mark *the abandonment of national sovereignty and the acceptance of world government* in a crucial area of foreign affairs.

But imperative as it is the international control of atomic energy *alone* cannot avert an atomic war *unless it is followed by disarmament and the renunciation of war as an instrument of national policy*. For if there *is* a third World War all the warring nations will feverishly begin the manufacture of atomic weapons, and of other new destructive weapons, including bacteriological and chemical warfare.

Hence the United Nations should call, at the earliest opportunity, a conference to discuss and prepare world disarmament.

It is necessary that nations renounce war and "the sovereign national right" to make war. The world must outlaw war under a system of international law that stigmatizes war as a punishable crime. We can go in that direction by organizing the world's moral sentiment against war, multiplying the international institutions of economic, political and cultural authority and action, broadening the United Nations' powers.

For the reign of law in international affairs a court of international justice with compulsory jurisdiction is needed, not the optional jurisdiction provided for in the United Nations charter. So far the British Labor government alone among the great powers has accepted the Court's compulsory jurisdiction and has made a categorical pledge to merge its national sovereignty into a world sovereignty to make the United Nations become a world government in the field of international affairs. But the United States Senate, in accepting compulsory jurisdiction, made clear that it depended upon the veto power in an "association of sovereign states" to "protect" the United States from any judgment it considers "inimical to its vital interests."

The United Nations must be made to work as is. But we must work quickly and surely to make the United Nations more effective by expansion of the Assembly's powers, including a more decisive voice for small nations, and by abolition of the Great Power veto in the Security Council. The struggle of the small nations to abolish the veto should receive increasing support. The United Nations cannot build a world

of peace while the Security Council continues as a combination of lawgiver, judge and policeman, all the more since the veto stops action against any one of the big powers.

Only so can the United Nations succeed. Only so can the world move toward government in international affairs: a *limited* world government but with enough authority in the *limited areas and problems* where world authority and action alone can prevent war. This involves no giving up of national self-determination and independence, of autonomy in the political, economic and cultural spheres which are of exclusively national concern. National sovereignty is not given away, it is *merged* in a world sovereignty, of which *every nation is an integral and articulate part*, to keep the peace and make the world safe for humanity.

Meanwhile the world must multiply the agencies of economic and social co-operation among nations.

There must be abolition of cartel controls, with their economic policy for imperialist profit and power; a release of the flow of international trade; the promotion and equalization of health, educational and labor standards of depressed areas through constructive investment to speed up industrialization and agricultural modernization, the rational distribution of key raw materials according to need; and free disclosure of scientific discoveries and their technical-economic application to agriculture and industry.

It is of special importance to spread use of the newest technical-scientific achievements, among them synthetics, plastics and atomic power. For these can overcome regional deficiencies in natural resources and so stimulate greater industrial and agricultural modernization. It is increasingly possible to make anything—materials, machines, power—out of anything everywhere in the world, which can help to develop measurable economic equality among nations as one solid foundation for peace everlasting.

Freedom of access for all nations to the world's markets and resources is indispensable. There can be no special economic privileges, no economic spheres of influence which inevitably tie in with political domination. This does not exclude regional customs unions and regional economic planning if there is no one-sided discrimination against outside nations. Nor does this exclude socialization of industry by one or more nations, for socialization *need not* impair the freedom of nations unless political aggression is intended. In this connection foreign trade among the world's co-operatives is a force for international goodwill and freedom.

As the world's backward nations industrialize they will need agrarian reform, labor unions, co-operatives and democracy for economic and human progress. American labor unions, farm organizations and co-operatives can forward that progress with economic, financial and moral support.

Finally, a free peaceful world calls for an international Bill of Rights, including the guarantee of individual and minority rights, the freedom of information, religion and opinion, the freedom of association, political action and publication, the freedom of communication among nations. Recognition of these rights must become mandatory, with a world court to enforce them.

Against All Imperialism

There can be no world co-operation for peace without the abandonment of

imperialism, whether it is monopoly capitalist imperialism in the form of economic or political colonialism, or communist imperialism in the form of Russian expansionism.

Peace is endangered by the British Tory conception (which, however, the British Labor government rejects in words and deeds) of keeping the Empire intact; by the efforts of French nationalists (including reactionary communists) to recreate the overseas empire; by the Soviet Union's expansion policy of establishing spheres of influence through military force and Quisling puppet governments in Central Eastern Europe, the Arabian regions, and China; by the proposals of certain misguided Americans for peacetime conscription and for a vast expansion of naval and air power.

But peace is also endangered by certain American "liberals" and the communists who argue that peace can be preserved by mutual recognition of Russian, American and British "spheres of influence" throughout the world. This is a gross libel on all liberal and radical ideas which, up to the present, always insisted that spheres of influence are an integral part of imperialism and an incitement to war.

Spheres of influence bring neither understanding nor peace — they bring suspicion, rivalry, and war. They are a thinly disguised form of colonial and political domination. Spheres of influence involve and stimulate, moreover, the murderous doctrine of racism, and the doctrine is murderous whether it is Nordic, Anglo-American, or Russian Slav.

World co-operation for peace calls for the independence and freedom of all peoples, including colonial peoples.

The United States has kept its word to free the Philippines. The British Labor government is freeing India, the jewel of empire; it is working, sometimes slowly and mistakenly, but working to liberate other colonies that Britain has ruled for generations. The United States, Britain, France and Holland have set up a commission to promote the independence and federation of their Caribbean colonial possessions.

But while capitalist imperialism is being liquidated a new imperialism is being forged by Russian expansionism which, in the name of "security zones," brings insecurity for Russia's neighbors, insecurity for the world and insecurity for the Russian people.

The world and Russia must co-operate for peace. If the conditions for co-operation did not exist it would be imperative to invent them. But the conditions exist: the universal desire for peace and the danger of universal destruction from an atomic war; the fact that it was not communism in Russia that invited Hitler's attack, any more than the Kaiser attacked Russia because it was Tsarist; the disarmament of Germany. In addition, a peaceful Labor government exists in Britain, which, of all great powers, is the most vulnerable in the event of atomic war. And there is no danger of the United States making war except in self-defense. No other nation is strong enough to attack the Soviet Union.

Yes, the conditions for co-operation exist. But co-operation is a two-way street. Russia must give up its expansionism. It must give up the idea that only communist governments can be friendly to Russia, and that a liberal democratic socialist government like the British Labor government is the most unfriendly of all. Finally, Russia must

give up *any* support of foreign communist parties, which wage unscrupulous demoralizing warfare upon liberal democratic unions and liberal democratic ideas, and act as Russian "fifth columns" in the Russian occupation zones to set up Quisling governments imposed by Russian force.

An alternative policy is latent in Russia, which can come alive: the policy of concentrating on cultivation of the Russian garden while co-operating with the world through the United Nations. It is part of American policy to co-operate with the world through the United Nations to encourage that alternative Russian policy.

There must be neither spheres of influence in Europe nor American intervention to impose capitalist governments or Russian intervention to impose communist governments. Europe requires freedom to decide its destiny, without inner or outer dictatorship. An all-European Commission, set up by the United Nations, alone can speed recovery from the destruction of war. After disarmament Germany should be allowed economic and political unification but on a federal basis, so that its people may live and develop in freedom. All signs indicate that Europe, if left alone to decide, will move toward a liberal democratic socialism on the British model and toward a federal United States of Europe.

The test of *any* nation's foreign policy is: *Will this policy or decision go forward to progressive internationalism or backward to reactionary nationalism?* The answer to Iran's oil is a Regional Oil Authority under the United Nations, with the principle applied to world oil resources and other resources the competition for which may breed war; the answer to the Danube River problem is internationalization with freedom of access and navigation; the answer to Italy's colonies (and other colonies) is freedom or United Nations multiple trusteeships; the answer to the tragedy of Palestine is a Jewish Homeland under the United Nations and within the framework of Arab-Jewish co-operation for mutual welfare; the answer to the problem of Trieste is a truly Free State with full self-government protected by the United Nations, its port serving freely not only Yugoslavia but the whole hinterland on equal terms.

Hence all nationalistic or imperialistic decisions and actions, whether by our own country or any other country, must be uncompromisingly opposed in favor of a truly international policy. There can be no double standard by which to judge the foreign policy of nations.

The American Task

We must work to have our government keep going a liberal foreign policy, which includes: all efforts to feed the world's hungry people and to support their reconstruction with machines and credits; a tariff policy that releases the flow of trade; investment loans with a small interest rate or no interest at all to encourage world industrialization; progressive co-operative measures to promote economic independence in Latin America, in the Philippines and other parts of Asia (including Japan); an export policy that meshes into the needs of other nations, especially Britain, with no trade wars; the prevention of monopoly cartel action against the world's economic interests.

At the same time the American government must respect and work for the liberal democratic rights of people any-

where in the world, and to insist that other nations respect those rights. The United States can use its tremendous economic, political and moral power for satisfaction of the aspirations for self-government and freedom of the peoples of Europe and the colonial peoples of Africa, Latin America and Asia. Our government must support the liberal, social democratic and labor forces in the occupied areas, and elsewhere, in their struggle against feudal or totalitarian reaction.

We must, too, support all economic and political measures to make our economic system work for prosperity so that we can fully work for peace. For the totalitarian challenge thrives on economic breakdown and chaos, on bafflement and despair.

So can we work to make this century end up as the century of freedom and peace.

III. TOWARD A PEOPLE'S PARTY

A new people's party will arise if and when the American people want it.

It must not be a party to pay off grudges regardless of basic political needs and timing.

It must not be what communists are working to set up—a "third party" which they can use to bedevil a progressive American policy in foreign affairs.

A new party will arise to meet the American people's urgent economic, social, and world needs. It will arise to call into action again the American people's idealism, which is neither dead nor a spent force but confused, distracted, frustrated, yet alive and ready to infuse social change with moral values.

Why a New Party?

There is need for unity on political action and policy that represents the interests of all useful functional groups for the release of an economic abundance from which every group will gain.

The dangerous alternative is pressure politics, in which each group carries on its own pressures to achieve its own narrow interests regardless of the interests of every other group. This ends in a cat-and-dog fight for a larger group slice of a shrinking economic pie. The cat-and-dog fight produces chaos, invites a crack-down by government and strengthens reaction.

The new party must be a party of all useful functional groups, from workers and farmers to small businessmen, salaried employees and professional people: on the model of the Co-operative Commonwealth Federation (CCF) of Canada. It cannot be a party of the trade unions alone, for that would split labor off from the rest of the community, thus giving monopoly reaction the numbers with which to fight. It was this split that was the major factor in the coming of fascism in Italy and Germany.

Ours is a two-party country? But so was Britain. So was the United States when the Republican party arose as a third party to become the *first* party. The new party arose out of a deep-going crisis created by the slavery issue. Today a far greater crisis prevails, the first universal crisis since the downfall of feudalism and the rise of capitalism, which offers the opportunity for a new party *providing* its principles and action meet the needs of the crisis.

No third party has won success since the Civil War? That is true. It is also true that no old party has been permanently captured by the progressive forces, from Populism to LaFollette's Progressivism to the New Deal.

An old party may be captured and used for reform. It cannot be captured and used as an instrument for deep-going social changes, for a basic redistribution of economic and political power. Such far-flung objectives can be achieved only by a party new in principles and in organization.

Party of the American Dream

A new people's party will be a party to realize liberal economic democracy as the American Dream in newer and finer fulfillments. For the American liberal tradition never separated economic from political democracy.

The colonists who fled from England (and Europe) to the new world came for greater economic freedom as well as for political freedom.

The Revolution of 1776 was directed as much against the colonial aristocracy as against the British Crown, and it was accompanied by breakup of great landed estates in the North to create a class of small democratic farmers.

Jeffersonian democrats looked upon widespread ownership of independent small property as the economic bulwark of liberal democracy. The agrarian and labor democrats of the Jacksonian era emphasized the equalitarian ideas of 1776 in new forms. They wanted to use state power to break monopoly and to secure a more equal distribution of wealth, which they considered as important as the distribution of political power. One of the union leaders argued that unions, by promoting through higher wages a more equal distribution of income and property, "help to preserve *the economic foundations of democracy.*"

Populism fought monopoly as anti-democratic and feudal, because it meant a concentration of economic power and of wealth antagonistic to economic freedom and democracy. The left-wing urged nationalization of the trusts to achieve the economic equality imperative for a truly democratic nation.

The New Deal called forth many economic reforms, especially social security, and its architect urged an "economic bill of rights"—the right to a job, adequate food, clothing and recreation, the right of farmers and businessmen to protection from monopoly exactions, the right to a decent home, adequate medical care and protection from unemployment, accidents, sickness and old age, the right to a good education. But the New Deal, whose program was an emergency expression of the social-economic crisis, never proposed measures to implement the rights fully, and it is now history. The American people must go beyond the New Deal.

A new people's party will carry the struggle and aspirations of the American Dream to new achievements. It will be a party that learns from the people what they desire, their basic wants, yearnings and values. It will be a party of critical inquiry, flexible and experimental, using co-operative intelligence to limit the areas of inevitable conflicts so that the conflicts may be solved by co-operative intelligence to promote peaceful change for human welfare, and so prevent the party from adopting means that become a barrier to what the people want. It will be a grass-roots party, operating from the local community upward, with widespread individual participation.

Men and women of good-will everywhere! You can, if you will, recapture the American Dream in the newer and finer fulfillments of a greater economic, political and social democracy.